

BASE VISIT REPORT**NAVAL SURFACE WARFARE CENTER, CRANE. IN****June 6, 2005****LEAD COMMISSIONER:** The Honorable Samuel K. Skinner**ACCOMPANYING COMMISSIONER:** None**COMMISSION STAFF:** David Epstein/Navy**LIST OF ATTENDEES:****Political:**

The Honorable John Hostettler, US Congressman (8th District, Indiana); The Honorable Becky Skillman, Lieutenant Governor, State of Indiana; Mr. David Sherfick, District Representative to Congressman Hostettler; Mr. John Clark, Senior Advisor to Governor Mitch Daniels, Military Affairs; Mr. Dave Reece, Advisor to LG Skillman; Mr. Tristan Vance, Assistant to LG Skillman; Ms. Brandi Hughes, District Representative to US Congressman Steve Buyer; Mr. Jeff Canada, District Representative to US Congressman Mike Sodrel; Mr. Larry Ordner, District Rep for US Senator Richard Lugar; Mr. Andrew Cullen, District Representative for US Senator Evan Bayh.

NSWC:

CAPT Mark Welsh, USN, Commanding Officer of NSWC Crane; Larry Nash, Technical Operations Manager; Mike Mitchell, BRAC Coordinator; Tim Stapp, Assistant BRAC Coordinator; Brian Blackwell, Corporate Planning & Business Operations Department Head; Don Schulte, Ordnance Engineering Department Head; Jamie Blackwell, Electronic Development Head; Matt Craig, Microwave Systems Department Head;

Miscellaneous:

Mr. Larry Leonard, Civilian Executive Assistant of Crane Army Ammunition Activity; CAPT Joe Erlar USN, Officer-in-Charge of FISC Norfolk at Crane, Indiana; Duane Embree, NAVSEA Product Area Director; Bill Mason, President, AFGE

Press Conference and Community Meeting:

After the command brief, questions, and luncheon, an off-site meeting was held at the EG&G facility about two miles outside the base gate and a press conference was held after that at the same location. Attendees at the press conference/off-site meeting included LG Skillman, Congressman Hostettler, various Congressional and Gubernatorial staffers, seven video/TV cameras, several community persons, and about 50 base employees.

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BASE'S PRESENT MISSION: NSWC Crane is a multi-mission, multi-service product center with both a fleet support and industrial base mission. The fleet support mission is performed in a joint, cross-service, and cross-platform environment when possible. In fulfilling the industrial base mission, NSWC Crane acts as a steward of microwave tubes, printed wiring boards, pyrotechnics, radiation hardened devices and batteries. The Army Ammunition Activity, a major tenant activity, manufactures and stores ammunition.

SECRETARY OF DEFENSE RECOMMENDATION:

- Realign Naval Support Activity Crane, IN, by relocating the depot maintenance workload and capacity for ALQ-99 Electronic Warfare to Fleet Readiness Center Northwest, Naval Air Station Whidbey Island, WA. **(IND-19)**
- Realign Naval Surface Warfare Center Division Crane, IN, by relocating gun and ammunition Research and Development & Acquisition to Picatinny Arsenal, NY. **(TECH-19)**
- Realign Naval Surface Warfare Center Crane, IN, by relocating all Weapons and Armaments Research, Development & Acquisition, and Test & Evaluation, except gun/ammo, combat system security, and energetic materials to Naval Air Weapons Station China Lake, CA. **(TECH-15)**
- Realign Naval Surface Warfare Center, Crane Division, IN, by relocating the Non-medical Chemical Biological Defense Development and Acquisition to Edgewood Chemical Biological Center, Aberdeen Proving Ground, MD. **(MED-15)**

In addition, there is a recommendation to realign the Fallbrook, CA, detachment of Naval Surface Warfare Center Division Crane, IN, by relocating gun and ammunition Research and Development & Acquisition to Picatinny Arsenal, NJ.

SECRETARY OF DEFENSE JUSTIFICATION:

- This recommendation realigns and merges depot and intermediate maintenance activities. It creates 6 Fleet Readiness Center (FRCs), with 13 affiliated FRC Sites at satellite locations. . . . FRC Northwest will be located on NAS Whidbey, WA, with no affiliated FRC Sites. . . . **(IND-19)**
- This recommendation realigns and consolidates those gun and ammunition facilities working in Weapons and Armaments (W&A) RD&A. This realignment would result in a more robust joint center for gun and ammunition RD&A at Picatinny Arsenal, NJ. This location is already the greatest concentration of military value in gun and ammunition W&A RD&A. Picatinny Arsenal is the center-of-mass for DOD's RD&A of guns and ammunition, with a workload more than an order of magnitude greater than any other DOD facility in this area. **(TECH-19)**
- This recommendation realigns and consolidates those facilities working in Weapons & Armaments (W&A) RD&A, and T&E into a Naval Integrated RDAT&E center at the Naval Air Warfare Center, China Lake, CA. . . . **(TECH-15)**

- This recommendation creates Joint Centers of Excellence for Battlefield Health, . . . Infectious Disease research, . . . and Chemical Biological Defense RD&A at Aberdeen Proving Ground, MD. These actions will increase synergy, focus on joint needs, and efficient use of equipment and facilities by collocating Tri-Service and Defense activities performing functions in chemical-biological defense and medical RDA. . . Edgewood Chemical and Biological Center, Aberdeen Proving Ground, is home to the military's most robust infrastructure supporting research utilizing hazardous chemical agents. . . . (MED-15)

The justification for the Fallbrook, CA action was included in the second justification shown above.

MAIN FACILITIES REVIEWED: We flew over the base and got oriented. (During the June 3 visit, we made a brief visit to one of the electronics laboratories in the same building as the Command Brief was given.) For the visit by Commissioner Skinner, there were several vehicles on display that NSWC had built or customized, as well as pieces of electronics equipment, customized weapons, etc. Commissioner Skinner and Mr. Epstein were given a ride, partially off-road, in a custom-built Desert Patrol Vehicle complete with two mounted automatic weapons. We were shown a standard-size automatic weapon and a shortened version of this same weapon with the same ballistic capability – something that the manufacturer said was impossible to do.

KEY ISSUES IDENTIFIED:

CAPT Welsh lead most of the discussion using the power point slides found in attachment #1. Attachment #2, which is #1 plus additional slides, was provided unofficially. Mr. Mike Mitchell, the NSWC BRAC Coordinator, provided additional details. Some of the more notable observations discussed during the visit and/or found in attachment #1 were:

- The economic impact on the Martin County area would be devastating. The proposed moves, if all four recommendations were approved, would result in the second largest impact on any community of any currently slated to be adversely impacted. In addition to the potential loss of about 674 government employees in Indiana, there might also be a loss of approximately 137 contractor jobs. However, it appears that COBRA is reporting on just 11 contractors.
- Since 9/11, workload has increased dramatically, particularly from the USAF and especially from DOD (Special Forces).
- NSWC Crane was hurt in the Military Value analysis because it was not recognized for its cross service and Special Forces work. Military Value analysis appeared to focus on the industrial and technical areas separately and ignores the synergy accomplished at Crane between the two areas. Furthermore, although "jointness" appears to be a major component of the transformation objective, Crane's joint work and customer base was not reflected in the analysis. Nearly 38% of their workload is for non-Navy customers.
- In addition to failing to capture the joint nature of Crane's workload, the COBRA model also fails to capture that Crane performs work across functional areas.

- It also did not fare well because although it is the leader in the integration of all parts of system life, it was not necessarily the best in some narrow areas.
- Crane did not get credit for “jointness” even though it is collocated with an Army command, and does substantial work in support of all services, including being the site of choice. However, this was not reflected in the process used to calculate military value. Also not reflected in the calculation of military value is the leveraging that precludes doing the same work for multiple customers since it is already supporting all Services. This leveraging results in savings of intellectual capital, facilities, and equipment.
- NSWC Crane was not evaluated for its Special Forces work. At our request, NSWC Crane provided us with appropriate contacts regarding this work, much of which is highly classified. (attachment #3)
- Most staff are unlikely to move. We were told that only 10-15% of the affected employees would move. Many employees who were not retiring would transition into other work staying at Crane (attachment #4 shows some supplementary retirement eligibility data based on the status as of now and the status as of three years from now.)
- This is the third largest military facility in the United States. NSWC can test explosives and other devices on the facility, including the 800 acre lake which lies entirely within the base’s boundaries and is used to test underwater explosives. There is also an order/law that gives the base latitude to conduct testing in which the sound and electronic effects can be heard/felt even two miles outside the base’s perimeter. Furthermore, the base gets 15 days to comment on proposed construction projects before they can be approved. There is plenty of available land (hundreds of acres) to absorb personnel being moved into Crane, should that occur. (attachment #5)
- NSWC Crane has a highly educated work force, and attachments #1 and #2 provide documentation of the educational attainments and population demographics.
- NSWC Crane has close working relationships with a variety of universities in and near Indiana. Crane has a memorandum of agreement with the National Guard (Camp Atterbury). They also have an arrangement with the state that gives them access to a former mental institution, occupying 1000 acres, and its 70 surrounding buildings (Muscatatuck) that enables NSWC to study issues associated with urban warfare in a realistic environment. (see attachment #6)
- The base has been recently awarded numerous recognitions, including the 2005 DON Value Engineering Team Award and the Commander-in-Chief’s Installation Excellence award. Even though it is a NAVSEA activity, NSWC Crane has received NAVAIR awards. (see attachments #7 & #8)
- There are some synergies that would be broken because testing and evaluation would have to be returned to Crane if Research and Development were performed elsewhere.
- Although base housing is being converted to a public-private venture, the potential personnel losses from the four recommendations at Crane will not result in unneeded housing.
- Although it appears that \$900 M per year is contracted out, 80% of that is for production.

- Base Operating Support costs are mission funded and are reimbursed by the Working Capital Fund. It is important to understand the funding for Army bases before attempting to compare raw numbers.

ALQ-99 Move to Whidbey Island:

- The work to be moved to Whidbey includes on-board equipment that is to be phased out in 8-10 years and pod-mounted equipment that is to be phased out in 12-15 years. About one-half of their ALQ-99 work falls into each category.
- Moving the ALQ-99 Electronic Warfare depot maintenance to Whidbey Island makes no sense according to Crane personnel. In the first place, the ALQ-99 is a mature system, scheduled to be phased out in about ten years. To disrupt the depot maintenance process and move to Washington simply does not make sense since the workload will start to drop off anyway. Also, since NSWC Crane is industrially funded, its managers will have to reduce the workforce assigned to that work when the changeout begins unless they are willing to see their rates increase.
- DOD is not being consistent in proposing to move the ALQ-99 work. In the first place, there are numerous other weapon systems for which intermediate and depot level maintenance are done at geographically distant locations. Secondly, Crane will still be doing depot maintenance on other systems. Thirdly, Whidbey Island is the source of only about 47% of the ALQ-99 work; other sites send the other 53%.
- Test equipment used for the ALQ-99 will have to remain in Crane to support engineering on other systems. Similarly some personnel involved in ALQ-99 work will have to remain in Crane as they also do depot-level work on other systems.
- NSWC Crane has a distance learning capability that enables them to help IMA or organization-level people in numerous locations, including shipboard personnel.
- Why break up the close link between the engineers and scientists on the one-hand and the depot maintenance technicians on the other. Keeping them together enables them to easily work together to correct emergent problems.

Relocate gun and ammunition Research and Development & Acquisition to Picatinny Arsenal, NY.

- Relocating gun and ammunition RD&A to Picatinny Arsenal simply does not make sense. Why separate the RD&A from the Testing and Evaluation that would still be done at NSWC Crane? Picatinny only has a range several hundred yards long, not long enough to test some handheld weapons. Picatinny was alleged to have serious encroachment issues.
- It is not clear to Crane personnel what DOD's intent was in regards to T&E testing of guns and ammunition and what portion of it was intended to be sent to Crane or elsewhere.
- There is a large and quickly growing amount of workload in support of Special Forces. They appreciate the fact that all stages of development, including production of first item testing and small quantities of special explosives can be developed and built and tested at Crane. This ability to manage a broad spectrum of the system life cuts precious months off the development process. The number of employees and the amount of money

involved in this work is classified. However, we were told that a substantial percentage of the DOD (non service-specific) work is in support of Special Forces. The DOD workload increased from \$15 M in FY 01, \$63 M in FY 02, \$180 M in FY 2003 and \$325 M in FY 04.

- NSWCC Crane can do testing that is too dangerous to do in the private sector. Safety is a key aspect of their operations.
- Crane does a portion of the Marine Corps, USA, and USAF expeditionary forces work, in addition to the Special Forces work. This does refer to all 236 positions slated to be moved under this work, but it does refer to a significant percentage of them.

Realign and consolidate work in Weapons & Armaments RDAT&E into a Naval Integrated RDAT&E center at the Naval Air Warfare Center, China Lake, CA.

- NSWCC Crane personnel noted that under the proposed relocation, some of the work would end up in China Lake, Picatinny and Aberdeen, as well as Crane, and the expertise would be spread over a variety of activities, and not consolidated. Some of the WYs identified to re-align to China Lake is part of the integrated support provided to the Special Forces. This work becomes part of the 3 way fracture (Crane, Picatinny, China Lake) of the integrated support that is currently multidisciplinary & multifunctional at the Crane Site.

Move Chemical Biological Defense RD&A work to Aberdeen Proving Ground, MD

- NSWCC Crane pointed out that the manner in which BRAC questions and military value calculations were structured did not enable Crane to show the linkages between its technical expertise in defense security systems, specialized chip and circuit card design, microelectronics, etc.
- NSWCC Crane is a huge base, remote from any population centers and is well suited to handle chemical and biological testing without encroachment worries.
- There are strong ties between NSWCC's existing sensors work and chemical and biological testing. Aberdeen is concerned with protecting soldiers on the ground, whereas NSWCC Crane's explosives and sensors work fit in well with its work in detection of chem/bio agents, including some from much greater ranges than the Army would be concerned with. In addition many Army detection equipments would repeatedly be set off in a shipboard environment with false alarms being set off by normal shipboard conditions.
- NSWCC Crane is consistently selected to provide maintenance engineering, failure investigations, and other support for chem/bio detection equipment. NSWCC Crane personnel pointed out that nearly one-half of their chem/bio detection funding comes from Edgewood Arsenal, Aberdeen Proving Grounds, MD.
- With the relocation of the chem/bio work to Aberdeen, NSWCC will have to maintain its expertise in the application of electro/optics work to chem/bio applications, even though some parts of its workload and personnel would be transferred.

- Crane is already receiving funding from all the services to do this work across numerous product lines in a highly secure facility.

INSTALLATION CONCERNS RAISED

- It appears that the certified data understates the off-base personnel counts.
- The clear emphasis from the base personnel fell into the unreasonableness of the plan to move the ALQ-99 work to Whidbey Island and the destruction of the close relationship between Special Operating Forces and NSWC Crane.

COMMUNITY CONCERNS RAISED:

The following refers to a June 3rd meeting attended by David Epstein and Lester Farrington, but not a commissioner: At that separate off-base meeting, the Southern Indiana Business Alliance, which includes corporate interests as well as individuals such as the previous executive director of the base made the following recommendations and expressed concerns:

- Run COBRA for the Fleet Readiness Centers, without the movement of ALQ-99 depot maintenance to Whidbey Island. They said that this would provide a larger savings to the Navy/DOD.
- Run/request a COBRA for the closure of Picatinny Arsenal, with guns and ammunition work to be moved to NSWC Crane. They pointed out that this would result in a base closure and availability of valuable real estate.
- We were shown a slide of a national magazine picture of undercover operations personnel in Afghanistan. They had circled six items in the picture developed and tested at NSWC Crane. They explained that because everything is at one site, they can develop, test, and field solutions in a matter of days, not months or years. This slide was not shown during the Monday presentation.
- At the very least, the DOD recommendation should be modified to direct that a specialty site for "Special Missions" should be established at NSWC Crane.

REQUESTS FOR STAFF AS A RESULT OF VISIT:

- Provide Commissioner with my personal position as to where I stand vis-à-vis the four DOD recommendations. (completed)
- Send Commissioner an email with my request for suggestions relating to the capability of Ridgecrest, CA (for example) to absorb a large number of incoming jobs. (completed)