

DCN: 4967  
LORRAINE T. HUNT  
Lieutenant Governor

STATE OF NEVADA



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Nevada Department of  
Transportation

OFFICE OF THE LIEUTENANT GOVERNOR

July 8, 2005

Commissioner Philip Coyle  
Base Closure and Realignment Commission  
2521 S. Clark St., Ste. 600  
Arlington, VA 22202

Dear Commissioner Coyle,

Thank you for visiting Nevada for your site visit to assess the Base Closure and Realignment Commission recommendations involving the Nevada Air National Guard and the Hawthorne Army Depot.

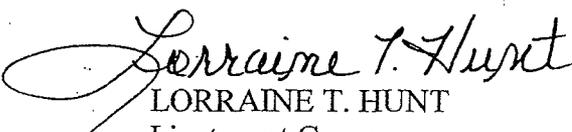
All Nevadans appreciate your attention in this matter that is vitally important to the safety and security of our State and our Nation. I would like to urge your strong consideration of the facts and viewpoints presented by Governor Kenny Guinn and other leaders from Nevada.

I believe an accurate and objective review of the BRAC recommendations will result in reversal of the decisions regarding the Nevada Air National Guard and the Hawthorne Army Depot.

As Lieutenant Governor and as chair of the Nevada Commission on Economic Development, I can personally attest to the fact that the BRAC recommendations will create severe and unfair economic impacts, especially on the citizens of Hawthorne, Nevada. I am personally aware of the unparalleled patriotism and love for the service to our Country held by the people of Hawthorne. Further, the economic impact of closing the Hawthorne Army Depot has been extremely underestimated.

Once more, I would like to thank you for visiting Nevada. I appreciate your gesture to personally inspect the facilities and hear from leaders and citizens from Nevada. Finally, I again urge you and the other members of the Base Closure and Realignment Commission to reconsider the recommendations involving the Nevada Air National Guard and the Hawthorne Army Depot.

Sincerely,

  
LORRAINE T. HUNT  
Lieutenant Governor

JIM GIBBONS  
DEN 4907  
2ND DISTRICT, NEVADA

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**STATEMENT BY CONGRESSMAN JIM GIBBONS**  
**BRAC COMMISSION SITE VISIT TO HAWTHORNE**  
**JULY 11, 2005**

First, I extend my gratitude to the Honorable Philip Coyle for representing the Base Realignment and Closure Commission in his visit here today. He and the other commissioners deserve our thanks for volunteering to be a part of this critical and important process in the service of our nation.

Today I am pleased to again join with the other members of Nevada's Congressional Delegation in asking the Commission for its strongest consideration of the facts presented in regard to the Department of Defense (DoD) proposals for "realignment" of the 152<sup>nd</sup> Air Wing in Reno and closure of Hawthorne Army Depot. After careful review of the DoD selection criteria, I believe "substantial deviations" are apparent regarding the selection criteria set forth by Congress.

The full commission, meeting at Clovis, New Mexico, last month, has already heard detailed testimony from Nevadans concerned with both bases regarding serious errors in fact-finding resulting in erroneous conclusions reached by the DoD in its recommendations to the commission.

Air National Guard C-130s, the foundation of the 152<sup>nd</sup> Air Wing in Reno, are vital not only to national defense but also to the Guard's Homeland Security mission and response to natural disasters in Nevada. Importantly, the Guard shares its airlift and other capabilities with neighboring Western states and other branches of the U.S. Armed Forces.

Regarding Hawthorne, the DoD appears to have seriously underestimated the amount of munitions stored here and the cost of relocating them. Information contradicting the DoD report has already been presented to the commission in detail.

Also of major consideration regarding Hawthorne Army Depot is DoD's grossly underestimated impact in terms of jobs that would be lost if the depot were to close and the economic impact upon Hawthorne and Mineral County. Survival of the community is truly at stake if the depot closes.

I believe Nevadans have presented significant evidence of the lack of consideration of critical selection criteria regarding both of these military installations.

Presentations Nevadans made at the BRAC hearing in Clovis were undoubtedly instrumental in persuading Commissioner Coyle of the need for today's site visit. I trust that what he has learned here will also be persuasive, and that he will share that information with other commissioners as a recommendation that these vital bases remain intact because of their military value to the United States of America.

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DINA TITUS  
DCN-4967  
SENATOR  
Clark No. 7

MINORITY FLOOR LEADER

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State of Nevada  
Senate

Seventy-first Session

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July 11, 2005

The Honorable Anthony J. Principi  
Chairman  
Defense Base Closure and Realignment Commission  
2521 South Clark Street, Suite 600  
Arlington, VA -22202

Subj: RENO ANGB AND HAWTHORNE ARMY DEPOT

Dear Mr. Chairman:

I am providing my strongest support for keeping the eight C-130 aircraft at the Reno Air National Guard Base (ANGB), and for removing Hawthorne Army Depot from the closure list.

The Reno ANGB can support up to twelve C-130 aircraft with ongoing host-tenant agreements. The flexibility, response and contribution of these aircraft, people and mission to the state as well as national security are vital. The state uses these capabilities for fire fighting and emergency response to mention just two important contributions.

The Hawthorne Army Depot has important and current military value in the joint use by all four branches of the service. It is used extensively by the U.S. Navy and U.S. Marine Corps in pre-Afghanistan training and other areas associated with the Global War on Terrorism. Its value as an ordnance depot is highlighted by its premier de-militarization facilities and fast ordnance response capability to the U.S. Pacific Fleet to again mention just two important resources. Finally, the economic impact to the Hawthorne community would be devastating, and is incorrectly reported in previous documents. The Nevada State assessment is a 70% - 75% direct and indirect job loss to the community using verified numbers. The significant military value coupled with the unaddressed community impact should be enough for reconsideration to keep Hawthorne open.

I appreciate your consideration in this matter and the site visits by Commissioner Coyle. Please feel free to contact me at any time on these important issues

Most sincerely,

A handwritten signature in cursive script, appearing to read "Dina Titus".

Dina Titus  
State Senate Minority Leader

DCN: 4967

Board of  
MINERAL COUNTY COMMISSIONERS

Telephone: 775-945-2446  
FAX: 775-945-0706  
P.O. Box 1450  
Hawthorne, Nevada 89415

GOVERNING BOARD FOR THE TOWNS OF  
HAWTHORNE, WALKER LAKE, LUNING  
AND MINA  
LIQUOR BOARD AND GAMING BOARD

RICHARD BRYANT, CHAIRMAN

NANCY BLACK, Vice-Chairman

EDWARD FOWLER, Member

July 11, 2005

Commissioner Coyle  
BRAC Commission  
Suite 600  
Arlington, Va. 22202

Re: BRAC closure listing for Hawthorne Army Depot

Commissioner Coyle,

On behalf of Mineral County and the Mineral County Board of Commissioners, it is with pleasure that I welcome you to Hawthorne, Nevada, "America's Patriotic Home", and home to the Hawthorne Army Depot. This County and Army Depot have given the Department of Defense over seventy-five (75) years of dedicated true military value, and we are just getting started. We are truly grateful for your decision to visit us.

I recognize that you and the Commission have been overwhelmed with data and materials that address and correct the inaccurate data provided you by DOD recommending closure for HWAD, to include this Board's letter of June 20, 2005. (Copy Attached)

It is this Board's decision that we will let the facts and data as outlined and presented speak for themselves. There are, however, a few areas that we wish to address.

Two key areas in determining an installation's military value were (1) the ability to expand both it's mission and it's borders, and (2) the all-important encroachment condition, both present and future.

Hawthorne Army Depot has ample room to expand, both inside and outside it's current boundaries to accommodate virtually any mission and/or assignment. This Board is currently in negotiations with the Army for the withdrawal of 10,000 acres of privately owned land and up to 142,000 acres of BLM lands adjacent to the HWAD. This land withdrawal would greatly enhance the fast-growing multi-sevices training and testing missions at HWAD, and would result in ABSOLUTELY NO ENCROACHMENT ON ANY COMMUNITY WITHIN THE COUNTY OR SURROUNDING AREA

CURRENT OR FUTURE. What other installation can request the withdrawal of an additional 152,000 acres to expand it's mission capabilities, and receive the blessing of the surrounding communities, with no encroachment, present or future?

It appears from all available data that the decision to place HWAD on the closure listing was made first, and then data compiled to attempt to justify that decision. How can HWAD be rated 1st and 2<sup>nd</sup> in military value by the Military Capabilities Report of 2005 and then be selected for closure based upon military value? Is there something that DOD is not telling us?

The original DOD recommendations clearly appear to discriminate against facilities that have been privatized or contracted out, and as such, are seemingly in direct conflict with previous directives/recommendations that direct the DOD to expand it's privatization and contracting out efforts to make DOD more efficient and reduce costs. Day & Zimmermann have contracts to operate five (5) installations to include HWAD, and ALL FIVE WERE RECOMMENDED FOR CLOSURE. Are we to believe this is just a coincidence? It is not only very conspicuous, it is very suspicious. Does this mean that privatization of an installation is just a step in closure process for that installation? The closure of these five installations also send the message that the DOD is not only willing, but is directing that installation closure costs be passed on to the private sector whenever possible.

No other community or County affected by the recommendations is faced with the level of negative economic impact Hawthorne and Mineral County will sustain if HWAD is closed. These are just some of the impact:

- . loss of over 50% of jobs in area
- . huge drop in property values and the ensuing decrease of assessed valuation for taxes
- . default on school bond
- . closure of all quality of life entities to include libraries, parks, museums, and youth Programs
- . closure or downsizing of County Hospital
- . loss of medical and dental service providers
- . loss of paid fire department which will result is skyrocketing home and business Insurance costs
- . huge loss of revenue for public schools
- . loss of Community College programs
- . at least a doubling of water, sewer, and garbage collection fees
- . large increase in Landfill Assessment
- . downsizing or loss of our only food market and pharmacy (Safeway Store)
- . and the list goes on

This community has already experienced the devastating nightmare caused by loss of workload at HWAD. When this installation went contract, Hawthorne had three new car dealerships, none today. We had three food stores , three pharmacies, and one drug store, one food store with a pharmacy today, we had a very low tax rate, we are maxed today, and so on. It appears that DOD is going for the kill this time around. And who will be

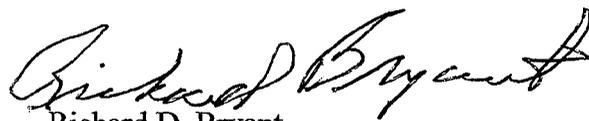
DCN: 4967

the recipient of all this? People who dedicated themselves to DOD directly or indirectly for 10,20, 30, 40 years at HWAD and chose to live and/or retire here. One heck of a "thank you" by DOD.

This Board requests that the BRAC Commission review and study all of the data provided, and make a decision based upon that review. We are confident that the result will be removal of HWAD from the closure list.

Again, thank you for your visit.

Respectfully,

A handwritten signature in cursive script that reads "Richard D. Bryant".

Richard D. Bryant  
Board Chairman

DCN: 4967

# MINERAL COUNTY COMMISSIONERS

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FAX: 775-945-0706  
P.O. Box 1450  
Hawthorne, Nevada 89415

GOVERNING BOARD FOR THE TOWNS OF  
HAWTHORNE, WALKER LAKE, LUNING  
AND MINA  
LIQUOR BOARD AND GAMING BOARD

RICHARD BRYANT, CHAIRMAN

NANCY BLACK, Vice-Chairman

EDWARD FOWLER, Member

June 20, 2005

BRAC Commission  
2521 S. Clark St  
Suite 600  
Arlington, Va. 22202

Re: BRAC closure listing for Hawthorne Army Depot

Sir:

It was with dismay that the Mineral County Board of Commissioners reviewed the published Department of Defense recommendation that the Hawthorne Army Depot in Hawthorne, Nevada be closed. Hawthorne is the County seat in Mineral County, and at approximately 4,000 in population, is by far the largest community in Mineral County. Hawthorne is located in a very remote and sparsely populated area of Nevada, about 135 miles south of Reno/Sparks, and 310 miles north of Las Vegas.

After reading your recommendation, and the data provided with it to support your recommendation, this Board was left bewildered with the inaccuracy of the data used to reach and support your recommendation. As such, this Board is compelled to not only question your decision and data, but to protest it as well.

A recent evaluation by the Military Capabilities Report of military installation assets as to their military value rated Hawthorne Army Depot currently as second only to McAlester as a whole, and first in several categories. For future, long term military value, Hawthorne Army Depot was rated as first. What has changed that would explain or justify the loss of all military value, current and/or future?

The BRAC Commission was charged with using an established set of principles in conjunction with military judgment to evaluate each installations' military value, and to use that military value as the primary consideration in making closure and realignment recommendations. From our perspective, it appears that a decision was made to close HWAD, and then to attempt to compile flawed data to support that recommendation. Our community, State, and County leaders have worked long and hard in researching data and developing a response to your recommendation that soundly and accurately address each and every aspect in determining HWAD's military value. All this data was compiled by the Mineral County Economic Development Authority and the Mineral County Chamber of Commerce into a large binder referred to as the "Hawthorne Fact Book". Your Commission will be receiving this document at the Clovis, N.M. hearings.

It is this Board's decision that we, for the most part, will let the facts and data as outlined and presented in the Hawthorne Fact Book speak for themselves. There are, however, a few areas that we wish to address.

Two key areas in determining an installation's military value were the installation's ability to expand both it's mission and it's borders, and also the all-important encroachment condition, both present and future. Hawthorne Army Depot is the Nation's largest Depot, and has ample room to expand to

accommodate virtually any mission. This Board is currently in negotiations with the Commanding Officer, HWAD, for the withdrawal of 10,000 acres of privately owned land and up to 142,000 acres of BLM lands that are adjacent to the south side of the installation. This land withdrawal would accommodate the needs of multi-services training and testing requirements. This would greatly enhance the fast-growing training mission of the Army Depot, and would result in absolutely no encroachment on any community within the County or surrounding area. What other installation can request the withdrawal of an additional 152,000 acres to expand its mission capabilities, and receive the blessing of the surrounding area, with no encroachment, present or future?

There have been numerous studies conducted on developing more economical methods of conducting business within the Dept. of Defense. Virtually all of these studies/reports have recommended increasing the privatization or "out-sourcing" of installations by going from a GO-GO to a GO-CO operation. Out-sourcing or contracting out facilities has proven to be a very effective cost-cutting tool for managing facilities. Hawthorne Army Depot was one of the first to become a GO-CO twenty-five (25) years ago, and has performed in an outstanding manner and has been an asset to the community and County for this entire time period.

The BRAC closure recommendations, however, appear to be not only conspicuous, but suspicious in relation to the recommendation of expanding GO-CO's. Day & Zimmerman Corp. has had the contract to operate HWAD for twenty-five years. They also have the contract to operate four other facilities, Newport Chemical Plant, Miss. Ammunition Plant, Lone Star Ammunition Plant, and Kansas Ammunition Plant. All five of these GO-CO's were recommended for closure by the BRAC. Are we to believe this was just a coincidence? We believe that it appears that the BRAC Commission is sending out the message that (1) the BRAC Commission is rejecting the directive to out-source, (2) That out-sourcing is the next step to facility closure, and (3) DOD has little regard for the well-being of private sector/contract employees versus that of public sector employees.

It is also troubling that HWAD was apparently the ONLY facility to have alternative scenarios performed, and this with flawed data. HWAD's stocks are destined for Tooele Army Depot. Has the BRAC Commission ever been to Tooele? Our Board Chairman spends a great amount of time in the Salt Lake City area that includes Tooele. Unlike Hawthorne, Tooele is within twenty straight-line miles of over 2 million people, and is already suffering from encroachment. The people in the Salt Lake Valley and surrounding area recognize the value of the land and facilities that comprise the Tooele Army Depot. It would be a very sound bet that by the time the movement of stocks from HWAD to Tooele is completed, DOD will be searching for a location to move Tooele Army Depot and its missions to, due to the encroachment created by the incredible growth the area is experiencing, and the resultant overwhelming resistance to Tooele's mission, especially Demil. We challenge the BRAC Commission to run an alternative scenario on the facility slated to receive HWAD's stocks.

We, as a Board, are requesting a site visit. We have become very frustrated in our efforts to inquire as to why a site visit was not scheduled for HWAD. One inquiry established criteria of 200 jobs lost before a site visit would be made, and we were at 199. That criteria later changed to 500 jobs lost when told the 199 was not accurate. Factual data shows that the job loss exceeds the 500 level also, but still no site visit. Conservative estimates show that the direct and indirect job loss in the community at about 900, or about 50% of the jobs within the community, and accompanied by the devastating economic impact in all facets of life, services, and government created by this large job loss. This community has dedicated itself to the service and support of the Department of Defense and its components for over seventy-five (75) years without question or complaint. No other community or County affected by the BRAC Commission recommendations is faced with the level of economic impact Hawthorne will sustain. We will incur a trem.....Haven't we earned a site visit or at least a straight answer?

HWAD's and the County's infrastructure and ability to meet mobilization requirements has been brought into question. Close scrutiny by the BRAC will lay these concerns to rest. Our railroad and highways are sound and well-maintained, and our airport runway was recently expanded to accommodate military airlift and cargo aircraft. HWAD and the community have 75 years of outstanding performance in

**BOARD OF MINERAL COUNTY COMMISSIONERS**

meeting mobilization requirements to include manpower and equipment. The BRAC report contradicts itself in regards to movement of stocks/materials. HWAD seems to get a failing grade for ability to respond for mobilization, but can meet a very ambitious shipping and demil schedule in order to meet the time line for closure.

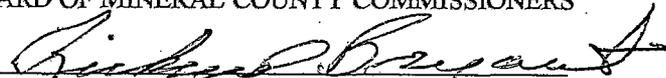
In closing, we again request that the Hawthorne Fact Book be read and evaluated, and that the BRAC Commission listen to the presentation made at the Clovis hearing with an open mind. We are confident that a review of all data and materials will persuade the Commission of the importance of a site visit, and hopefully eventual removal from the closure listing.

Thank you for your time and attention, and if you have any comments or questions, please do not hesitate to contact any member of the Mineral County Board of Commissioners at any time.

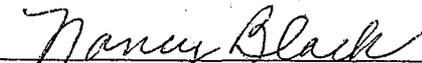
Respectfully,

BOARD OF MINERAL COUNTY COMMISSIONERS

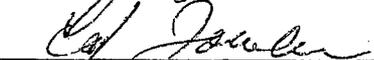
BY

  
RICHARD BRYANT, CHAIRMAN

BY

  
NANCY BLACK, VICE-CHAIRMAN

BY

  
ED FOWLER, MEMBER

**BOARD OF MINERAL COUNTY COMMISSIONERS**

**Mineral County School District BRAC Presentation  
Kenneth Chase School Board President**

**School funding in Nevada is different. In Nevada property tax is not the sole or main source of funding. Each Nevada school district's funding is based on a support figure set by the State. Next year our funding is \$6175 per pupil. Part comes from within the District, most comes from the State.**

**Our current student population is 684 students, 80 in Schurz the rest in Hawthorne.**

**Using the States Regional Economic Models Inc., or REMI, and the Districts information, we project we would lose at least 65% of our students.**

**The School District's projected income would drop from \$8,700,000 to \$3,000,000. We would lose \$5,700,000 in income.**

**For the District to continue functioning we would need to do the following:**

- 1. Consolidate the buildings into a K to 6 school and a 7 to 12 school.**
- 2. Close the Elementary Jr. High complex.**
- 3. Cut 65% of all staff in all areas.**
- 4. Default on our school bond.**
- 5. Stop paying retirees health insurance premiums.**
- 6. The high school with 75 students would lose many extracurricular activities and almost all special classes.**
- 7. Poverty is a major problem. Mineral County leads the State with a poverty rate of 27%. The Walker River Piaute Indian Reservation at Schurz has a 56% poverty rate. Both would increase dramatically. This would increase poverty related problems. Yet our resources to deal with these problems would be radically reduced.**

**Finally, many of our former students have served or are currently serving in the military. Many made it a career. Many used it as a spring board out of poverty. With the Depot gone this opportunity would not be as available to our students.**

**Thus closing the Hawthorne Army Depot would be a disaster for the schools and the community.**

# Mt. Grant General Hospital

P.O. Box 1510, First and A Streets  
Hawthorne, Nevada 89415  
(775) 945-2461  
FAX (775) 945-2359

## **(OPENING REMARKS):**

Thank you, Mr. Coyle, and the BRAC Commission, for the opportunity to express the concern of Mt. Grant General Hospital about the closure of the Hawthorne Depot.

## **(IMPACT):**

Included in the direct impacts to Mt. Grant General Hospital are:

- Reduced revenue,
- Loss of experienced staff,  
and
- Reduction in routine and specialty services offered.

## **(NARRATIVE):**

DZHC is the largest, single insured group in Mineral County. With their elimination the hospital will lose in excess of \$1 million per year.

We will lose 15% or more of our employees because of family relocations and we will lose at least one physician. It will be difficult to recruit and retain staff, including physicians and nurses.

We will be forced to reduce or eliminate some of the services we presently provide, such as Home Health and special radiological services, like MRI's. Our Home Health department makes about 5,500 home visits per year. With no home care available, many seniors will be forced to go to other communities that can provide assisted living or nursing home accommodations. Without the availability of MRI and other specialty services, Mineral County

residents will have to travel 75 to 135 miles to receive care from medical specialists.

The hospital will be unable to upgrade outdated equipment and maintain the infrastructure of the facility or provide new patient services as medical technology changes. These things will make it difficult to attract people to Mineral County.

**(IN CLOSING):**

- Mineral County will be losing its largest employer.
- The hospital will lose over \$1 million of revenue per year.
- Many skilled employees will relocate.
- Available medical services will be reduced.

So we ask you, Mr. Coyle, and the BRAC Commission, to include the hospital's concerns with those of the community during your considerations.

The Depot has supplied and supported military missions for over 75 years. Please, give us 75 more! Thank you!



## Walker River Paiute Tribe

1022 Hospital Road • Post Office Box 220 • Schurz, Nevada 89427

Telephone: (775) 773-2306

Facsimile: (775) 773-2585

July 11, 2005

Dear BRAC Officials,

On behalf of the Walker River Paiute Tribe, I thank you for this opportunity to address the possible closure of the Hawthorne Army Ammunition Depot. The Tribe would like to announce its request to participate as a stakeholder and continue to receive information, monitor and have input during this process.

There are many different concerns of the Tribe regarding the BRAC listing of the depot. For instance, this closure not only impacts the community of Hawthorne but surrounding communities as well. As 6% of the depot workforce is Native American and a majority of this workforce commutes to Hawthorne for work, this would greatly affect the already high unemployment rate of the reservation. Other concerns would include the environmental clean up of the facilities, water, Walker Lake and Mt. Grant. One other major concern would be the status of the railroad that intersects the reservation and the use agreement the Tribe has with the Army.

I believe there needs to be further discussions with the Walker River Paiute Tribe's Tribal Council and Tribal Membership before this process continues, so as to start the Government to Government consultations. Historically, it has been the position of the Tribe that the consultation process does not begin until the Tribe is contacted directly to determine the proper consultation process.

We look forward to your response. Thank You.

Sincerely,

A handwritten signature in cursive script that reads "Laurie A. Thom".

Laurie A. Thom, Chairman  
WALKER RIVER PAIUTE TRIBE

# **A Brief Study of the Impacts Related to the Proposed BRAC Closing of The Hawthorne Army Depot, Mineral County, Nevada**



Prepared by:

**The Nevada State Demographer's Office and the  
Nevada Commission on Economic Development**

Jeff Hardcastle, Nevada State Demographer

Tim Rubald, CEcD, CMSM, Interim Executive Director and Director of Business  
Development & Research

Using:

**Regional Economic Modeling, Inc. (REMI) 23 Sectors by County**

July 11, 2005

## Executive Summary

Mineral County in west-central Nevada has been host to the Hawthorne Army Depot for decades. The county contains the community of Hawthorne, which is where the Depot is located, as well as a handful of smaller communities. The county's western boundary line also serves as the state border between California and Nevada. Hawthorne is the county seat and lies 130 miles southeast of the metropolitan area of Reno/Sparks, Nevada. It is approximately 310 miles northwest of Las Vegas, Nevada.

The county in fiscal year 2004-2005 had a total assessed valuation of only \$71.5 million<sup>1</sup>. Compare this to the statewide total of approximately \$69.7 billion<sup>2</sup>, this makes the total contribution of Mineral County, from an assessed value point, approximately one-tenth of one percent of the state's total value. When the similar comparison of population is calculated, the state with 2.2 million and Mineral County having 4,673<sup>3</sup>, putting Mineral County at approximately two-tenths of one percent of the state's population, or half the assessed valuation per person as the balance of Nevada.

The significance of this is clear due to the inordinate amount of federal property in the county which doesn't pay taxes, despite the contract operator of the Hawthorne Army Depot paying the portion of the property used by them. This makes the economic activity generated by the Depot that much more valuable compared to a more "normal" economic situation. The relative isolation of the community, as well as the county, simply emphasizes this even more.

Suffice it to say that if the BRAC recommendations are carried out, the community, as well as the county, will suffer greatly unless they are able to develop some sort of alternative use of the significant investment the DOD has in the region. Even with this type of situation, it would take large amounts of capital to develop such an alternative use of those assets and the question arises, from where would the county obtain such capital?

The results of the simulations created in this study show clearly that Mineral County, and of course the town of Hawthorne, as well as other related governmental entities, would suffer the inability to meet minimum operation costs as well as any outstanding debt service. The study further shows that with the significant decline in population of some 70 percent, it is reasonable to assume that a similar fate would await businesses as well as individuals which depend on the cash flow generated by the activity taking place daily on the Depot grounds and around the area.

The study does not address any issues regarding the BRAC Committee's erroneous data calls or any possible debate on those numbers. The study simply shows, clearly, that the community of Mineral County will suffer momentous decline if the Committee's initial recommendation is followed.

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<sup>1</sup> Nevada Department of Taxation, Fiscal Year 2004-2005, Property Tax Rates, for Nevada Local Governments.

<sup>2</sup> Same as above.

<sup>3</sup> Nevada County Population Estimates July 1, 1990 to July 1, 2004; The Nevada State Demographer's Office

## The Model

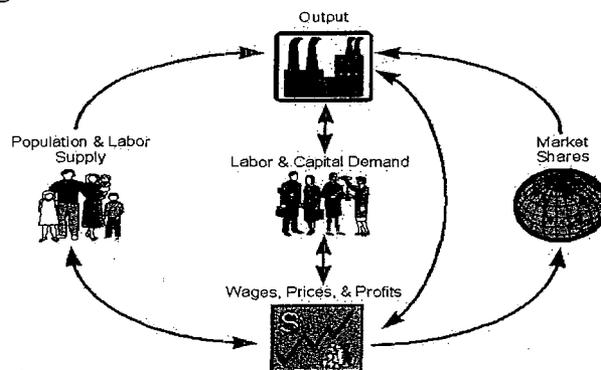
This analysis utilizes a structural economic model of Nevada developed by Regional Economic Models, Inc. (REMI) of Amherst, Massachusetts. The model is maintained by the Commission on Economic Development, the Department of Taxation through the State Demographer, and the Budget Division in the Department of Administration, with initial assistance from the Department of Transportation.

The model contains historical data from 1969 and provides forecasts and policy simulation capabilities through 2035. Shao and Treyz (1993)<sup>4</sup> and Treyz, Rickman, and Shao (1992)<sup>5</sup> provide additional information and documentation about the REMI model.

The REMI model is designed with the objective of improving the quality of research-based decision-making in the private and public sectors. The original REMI model was established in 1980 in response to demand for regional forecasting and simulation models. A precursor to the REMI methodology was first initiated in the mid-1970s and had its first application in the Massachusetts Economic Policy Analysis Model in 1977. The model was subsequently refined for applications by the National Academy of Sciences.

The REMI model incorporates inter-industry transactions and final demand feedbacks. In addition, the model includes substitution among factors of production in response to changes in relative factor costs, migration in response to changes in expected income, wage rate responses to changes in local labor market conditions, and changes in the share of local and export markets in response to changes in regional profitability and production costs.

The flowchart shown below provides a relatively simple overview of the model's structure and how it addresses policy-related questions. The REMI model is composed of output, labor and capital demand, population and labor supply, wage/price/profit, and market share "blocks". These blocks interact with each other to depict region-specific economic structure, and from which a consistent "control" forecast is generated. The model estimates the future impacts of the policy change (in this case, a reduction in electric rates) and generates policy effects by comparing the resulting "alternative" forecast to the control.



<sup>4</sup> Shao, G., and Treyz, G.I. (1993). Building U.S. National and Regional Forecasting Simulation Models. *Economic Systems Research*, 5(1), 63-77.

<sup>5</sup> Treyz, G.I., Rickman, D.S., and Shao, G. (1992). The REMI Economic-Demographic Forecasting and Simulation Model. *International Regional Science Review*, 14(3), 221-253.

Currently, REMI models are available for any county or state, or combination of counties and states, in the U.S. There are numerous and varied users of the REMI model throughout the U.S. There are approximately 35 government agencies which utilize the model, including the States of Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, New York, Vermont, and Wisconsin. Totally, about 26 consulting firms utilize various versions of the REMI model, as well as 18 universities and non-profit institutions. In addition, some six utility companies also are REMI users. Within Nevada, UNLV's Center for Business and Economic Research maintains a REMI model for southern Nevada.

Specific applications of the REMI model are also quite varied and cover a number of different policy areas including economic development, transportation, energy, the environment, taxation, and others. Specific examples include Nelson, Anderson, and Passmore (1997)<sup>6</sup>, Passmore and Anderson (1994)<sup>7</sup>. There are also several applications specific to Nevada, including Rubald (1999)<sup>8</sup>, Riddel (2001)<sup>9</sup>, and Schwer (2001)<sup>10</sup>.

The widespread use of the REMI methodology throughout the U.S. has led to extensive documentation of its value in socioeconomic analysis. The South Coast Air Quality Management District commissioned a study by the Massachusetts Institute of Technology designed to evaluate the REMI methodology and the entire socioeconomic analysis system used to obtain the impacts of implementing air pollution controls on the Los Angeles Basin (See Polenske, *et al* (1992)<sup>11</sup>). The study evaluated REMI and other socioeconomic analysis models and identified "...seven features often unavailable in many other microcomputer-based regional forecasting models":

- It is calibrated to local conditions using a relatively large amount of local data, which is likely to improve its performance, especially under conditions of structural economic change.
- It has an exceptionally strong theoretical foundation.
- It actually combines several different kinds of analytical tools (including economic-base, input-output, and econometric models), allowing it to take advantage of each specific method's strengths and compensate for its weaknesses.

<sup>6</sup> Nelson, J.P., Anderson, W.D., and Passmore, D.L. (1997). Economic Development and Air Pollution Abatement: A State-Level Policy Simulation of the 1990 Clean Air Act. *The Journal of Environment and Development*, 6(1), 61-84.

<sup>7</sup> Passmore, D.L. and Anderson, W.D. (1994). What if it All Works? The Economic Stakes for Pennsylvania School Reform. *Pennsylvania Educational Leadership*, 14(1), 32-38.

<sup>8</sup> Rubald, T. (1999). Does Economic Development Pay for Itself in Nevada?. A research paper presented at the 1999 Annual Governor's Conference on Economic Development.

<sup>9</sup> Riddel, M. (2001). The Impact of the Maglev Train on the Economy of Southern Nevada: A Focus on Tourism Impacts. A research paper presented at the REMI Educational Seminar and Workshop.

<sup>10</sup> Schwer, R.K. (2001). The First Mile is Free: An Analysis of the VentureStar Project. A research paper presented at the REMI Educational Seminar and Workshop.

<sup>11</sup> Polenske, K.R. *et al.* (1992). Evaluation of the South Coast Air Quality Management District's Methods of Assessing Socioeconomic Impacts of District Rules and Regulations: Volume I, Summary Findings and Volume II, Technical Appendices.

- It allows users to manipulate an unusually large number of input variables and gives forecasts for an unusually large number of output variables.
- It allows the user to generate forecasts for any combination of future years, allowing the user special flexibility in analyzing the timing of economic impacts.
- It accounts for business cycles.
- It has been used by a large number of users under diverse conditions and has proven to perform acceptably.

## Approach

The model is available at various levels of industry detail, 23, 70, and 169 levels of industries based upon the North American Industrial Classification System (NAICS). In this study, a 23 sector model was used including Nevada's 17 counties. The model history is shortened compared to earlier versions but the economic theory is based on over 20 years of economic modeling experience by REMI. The model allows for updating county and national employment levels to reflect employment information that may become available to the user since the model was built. There are 155 policy variables that can be used to conduct scenarios to look at economic impacts.

An attempt was made to update the model with a number of significant economic activities in the state, region, and immediate area. This is a normal situation with REMI due to the fact the model is built initially with the most current data available from national sources but oftentimes local sources provide updated information.

In this case, national and county employment was updated using the Regional Information System (REIS) data from the U.S. Bureau of Economic Analysis for 2001 and 2002. The REIS data is used in building the REMI model and includes the full range of employment including proprietors. For 2003 and 2004 the update was done using employment data from the Nevada Department of Employment Security (DETR). This data is for covered employment and does not normally include proprietors. The DETR data was compared to REIS data to establish a proportional relationship and the proportion was applied to the 2003 and 2004 data to approximate the REIS data.

In addition to the updated employment information, the model has been run to create a baseline scenario that includes the proposed increase in hotel rooms through 2010 for Clark County. This created an updated baseline scenario against which simulations for Mineral County can be compared. The other baseline is what the model shows without doing any changes, that is, an "out of the box" baseline scenario.

There were three simulations run for Mineral County. The first included the expected private school proposed for the area and the High Desert Operations Center. Both of these

enterprises were included in the model as Educational Services. The assumption for this was that there are 12 employees in 2005, 55 in 2006, and 110 thereafter. The other two scenarios involved the base closing. One was with only the updated employment and the Depot closing, that is, there are no new educational establishments as businesses in Mineral County. The other was to have the Depot closing, but the educational establishments continue as businesses in the area. All the scenarios have different employment and population impacts.

Because of the prominence of the Depot, the model may be overstating its employment overtime. This is partly due to REMI having to deal with data suppression issues and the role of the Depot in the short economic history. The Depot is classified as Administration and Waste Services. The employment at BAE Systems was classified as Professional and Technical Services. Also considered was the civilian employment. The employees that were subtracted beginning in 2011 are shown in the table below.

**Hawthorne Direct Employment Losses**

	Admin, Waste Services	Profess, Tech Services	Civilian
<b>2011</b>	634	20	45
<b>2012</b>	636	20	45
<b>2013</b>	633	20	45
<b>2014</b>	631	20	45
<b>2015</b>	629	20	45
<b>2016</b>	626	20	45
<b>2017</b>	623	20	45
<b>2018</b>	620	20	45
<b>2019</b>	617	20	45
<b>2020</b>	613	20	45
<b>2021</b>	610	20	45
<b>2022</b>	606	20	45
<b>2023</b>	602	20	45
<b>2024</b>	599	20	45
<b>2025</b>	595	20	45
<b>2026</b>	592	20	45
<b>2027</b>	589	20	45
<b>2028</b>	587	20	45
<b>2029</b>	585	20	45
<b>2030</b>	583	20	45
<b>2031</b>	581	20	45
<b>2032</b>	579	20	45
<b>2033</b>	578	20	45
<b>2034</b>	576	20	45
<b>2035</b>	574	20	45

The study is limited to the impacts of the Depot closing in Mineral County. The impact of the closure on other counties is not included in this report. It appears that because of the

limited industry detail, a limited number of the jobs in the Administrative and Waste Services category that are lost in Mineral County are added into other counties. This transfer of jobs would likely not occur with a better ability to model the impacts with greater detail, such as running the simulation on a 70 or 169 level of industry classification. The model was run to 2035 as part of a larger process for developing Nevada's population projections by the State Demographer's office. The REMI model is based on Federal data and the population estimates in the model are based on Census data and are not the same as the estimates developed by the State Demographer's office.

## Outputs and Results

Depending on the possible development of other industries, which at this time the best opportunity for Mineral County appears to be Educational Services, there are a number of potential impacts that appear to happen as a result of the Depot closing. The model has the Depot losing 699 jobs in 2011 and is displayed in more detail in the following pages.

**Of particular significance, the model shows Mineral County, in 2035, under a base closing simulation, to appear as follows:**

- 1. There will be a loss of 1,116 to 1,224 jobs, or an additional .75 jobs lost for every job lost at the Depot.**
- 2. The population will decrease by more than 70% to somewhere around 1,300 people.**
- 3. The remaining population will be a much older population with over 38% of the population being 65 and over and a median age of 50 years compared to a current median age of 40.**

The change of demographics and workforce of a community that drastic is very significant. Unless something in the simulation inputs changes over time, such as not closing the Depot or somehow being able to replace its economic contribution to the region, it is painfully obvious the region will not survive economically.

The following tables show the results of the simulations, and impacts of the closure of the Depot. The following tables show the different baselines and the different scenarios for 2005. All values are reported as thousands in the following tables. Table One shows the levels in the scenarios for 2005. Table Two shows Mineral County in 2035. Table Three shows the differences between 2005 and 2035. Table Four shows the percentage differences for Mineral County by 2035. Table Five shows the age composition in 2005 and 2035.

**TABLE ONE – MINERAL COUNTY 2005**

Variable	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2005	2005	2005	2005	2005
<b>Total Emp (Thous)</b>	2.277	2.465	2.465	2.478	2.478
<b>Variable</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>
<b>Population (Thous)</b>	3.809	3.886	3.886	3.888	3.888
<b>Labor Force</b>	1.788	1.859	1.859	1.861	1.861
<b>Variable</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>
<b>Profess, Tech Services</b>	0.055	0.066	0.067	0.067	0.067
<b>Mngmt of Co, Enter</b>	0	0	0	0	0
<b>Admin, Waste Services</b>	0.545	0.614	0.614	0.614	0.614
<b>Educational Services</b>	0	0	0	0.012	0.012
<b>Health Care, Social Asst</b>	0.133	0.125	0.125	0.125	0.125
<b>Arts, Enter, Rec</b>	0.089	0.099	0.098	0.098	0.098
<b>Accom, Food Services</b>	0.167	0.171	0.171	0.171	0.171
<b>Other Services (excl Gov)</b>	0.099	0.073	0.073	0.073	0.073
<b>Variable</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>
<b>Ages 0-14</b>	0.555	0.575	0.575	0.575	0.575
<b>Ages 15-24</b>	0.635	0.650	0.650	0.650	0.650
<b>Ages 25-64</b>	1.790	1.831	1.831	1.832	1.832
<b>Ages 65 &amp; Older</b>	0.830	0.830	0.830	0.830	0.830
<b>Total Population</b>	3.810	3.886	3.886	3.887	3.887

Table One simply shows Mineral County in its current status. It's important to note that in this chart the base closure doesn't change the output numbers at all which is what would be expected considering the possible event, the modeled event, hasn't taken place at this point in time. Other tables take this possible event into consideration and then compare the two situations over the thirty year period of time.

**TABLE TWO – MINERAL COUNTY 2035**

	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Total Emp (Thous)</b>	2.037	2.239	1.241	2.353	1.362
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Population (Thous)</b>	2.295	2.397	1.038	2.478	1.122
<b>Labor Force</b>	1.320	1.401	0.593	1.458	0.652
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Profess, Tech Services</b>	0.09	0.109	0.075	0.11	0.076
<b>Mngmt of Co, Enter</b>	0	0	0	0	0
<b>Admin, Waste Services</b>	0.518	0.574	0	0.575	0
<b>Educational Services</b>	0	0	0	0.103	0.101
<b>Health Care, Social Asst</b>	0.221	0.209	0.174	0.21	0.176
<b>Arts, Enter, Rec</b>	0.088	0.096	0.083	0.096	0.084
<b>Accom, Food Services</b>	0.160	0.162	0.129	0.162	0.130
<b>Other Services (excl Gov)</b>	0.066	0.048	0.036	0.048	0.037
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Ages 0-14</b>	0.384	0.401	0.137	0.414	0.153
<b>Ages 15-24</b>	0.342	0.353	0.140	0.365	0.152
<b>Ages 25-64</b>	1.091	1.152	0.360	1.201	0.407
<b>Ages 65 &amp; Older</b>	0.477	0.491	0.401	0.498	0.410
<b>Total Population</b>	2.294	2.397	1.038	2.478	1.122

The columns "REMI 'Out of the Box'," "Employment Updated for All Counties," and "Education Jobs Coming Into Mineral County," all three anticipate there will be no base closure and no other significant changes in the economy. "Updated Employment with Base Closure" and "Education Jobs with Base Closure," both show the effects of the Depot closing; the first without the expected new educational sector jobs and the last column reflects the influx of the anticipated new jobs.

**TABLE THREE – DIFFERENCES BETWEEN 2035 AND 2005**

	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
<b>Variable</b>	<b>2035</b>	<b>2035 vs. 2005</b>	<b>2035 vs. 2005</b>	<b>2035 vs. 2005</b>	<b>2035 vs. 2005</b>
<b>Total Employment (Thous)</b>	-0.240	-0.226	-1.224	-0.125	-1.116
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Population (Thous)</b>	-1.514	-1.489	-2.848	-1.41	-2.766
<b>Labor Force</b>	-0.468	-0.458	-1.266	-0.403	-1.209
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Profess, Tech Services</b>	0.035	0.043	0.008	0.043	0.009
<b>Mngmt of Co, Enter</b>	0	0	0	0	0
<b>Admin, Waste Services</b>	-0.027	-0.04	-0.614	-0.039	-0.614
<b>Educational Services</b>	0	0	0	0.091	0.089
<b>Health Care, Social Asst</b>	0.088	0.084	0.049	0.085	0.051
<b>Arts, Enter, Rec</b>	-0.001	-0.003	-0.015	-0.002	-0.014
<b>Accom, Food Services</b>	-0.007	-0.009	-0.042	-0.009	-0.041
<b>Other Services (excl Gov)</b>	-0.033	-0.025	-0.037	-0.025	-0.036
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Ages 0-14</b>	-0.171	-0.174	-0.438	-0.161	-0.422
<b>Ages 15-24</b>	-0.293	-0.297	-0.510	-0.285	-0.498
<b>Ages 25-64</b>	-0.699	-0.679	-1.471	-0.631	-1.425
<b>Ages 65 &amp; Older</b>	-0.353	-0.339	-0.429	-0.332	-0.420
<b>Total Population</b>	-1.516	-1.489	-2.848	-1.409	-2.765

If the Depot continues on its currently anticipated path with the BRAC recommendation, closing, Table Three shows the results of this in the "Updated Employment with Base Closure" and "Education Jobs with Base Closure" columns. The total population of the county will decrease by somewhere between 2,765 to 2,848 people.

**TABLE FOUR – PERCENTAGE CHANGE FROM 2005 to 2035**

	REMI Out of the Box	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Total Empl. (Thous)</b>	-10.5%	-9.2%	-49.7%	-5.0%	-45.0%
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Population (Thous)</b>	-39.7%	-38.3%	-73.3%	-36.3%	-71.1%
<b>Labor Force</b>	-26.2%	-24.6%	-68.1%	-21.7%	-65.0%
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Profess, Tech Services</b>	63.6%	65.2%	11.9%	64.2%	13.4%
<b>Mngmt of Co, Enter</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Admin, Waste Services</b>	-5.0%	-6.5%	-100.0%	-6.4%	-100.0%
<b>Educational Services</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Health Care, Social Asst.</b>	66.2%	67.2%	39.2%	68.0%	40.8%
<b>Arts, Enter, Rec</b>	-1.1%	-3.0%	-15.3%	-2.0%	-14.3%
<b>Accom, Food Services</b>	-4.2%	-5.3%	-24.6%	-5.3%	-24.0%
<b>Other Services (excl Gov)</b>	-33.3%	-34.2%	-50.7%	-34.2%	-49.3%
<b>Variable</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>	<b>2035</b>
<b>Ages 0-14</b>	-30.8%	-30.3%	-76.2%	-28.0%	-73.4%
<b>Ages 15-24</b>	-46.1%	-45.7%	-78.5%	-43.8%	-76.6%
<b>Ages 25-64</b>	-39.1%	-37.1%	-80.3%	-34.4%	-77.8%
<b>Ages 65 &amp; Older</b>	-42.5%	-40.8%	-51.7%	-40.0%	-50.6%

The above table reflects the numerical changes in the form of percentages. This definitely puts the situation into perspective, especially if you look closely at the third and also the last column of the table. The Health Care and Social Assistance category reflects a 40 percent loss in that category.

**Table Five – Age Composition 2035 vs. 2005**

Variable	REMI Out of the Box	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
	2005	2005	2005	2005	2005
<b>Ages 0-14</b>	0.555	0.575	0.575	0.575	0.575
<b>Ages 15-24</b>	0.635	0.650	0.650	0.650	0.650
<b>Ages 25-64</b>	1.790	1.831	1.831	1.832	1.832
<b>Ages 65 &amp; Older</b>	0.830	0.830	0.830	0.830	0.830
<b>Total</b>	3.810	3.886	3.886	3.887	3.887

**2005 Median Age**      40.0      39.7      39.7      39.7      39.7

**Percentage Distribution**

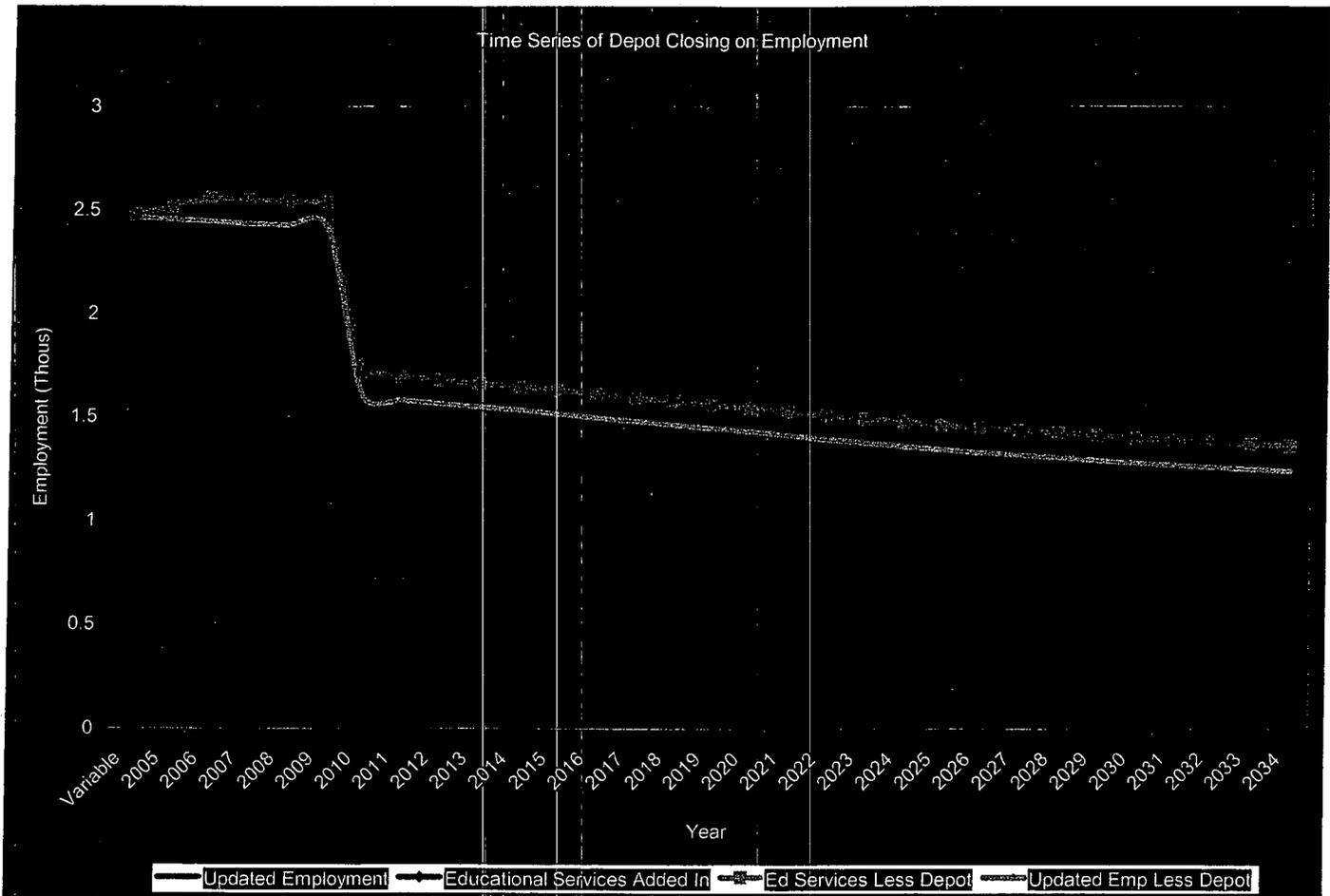
<b>Ages 0-14</b>	14.6%	14.8%	14.8%	14.8%	14.8%
<b>Ages 15-24</b>	16.7%	16.7%	16.7%	16.7%	16.7%
<b>Ages 25-64</b>	47.0%	47.1%	47.1%	47.1%	47.1%
<b>Ages 65 &amp; Older</b>	21.8%	21.4%	21.4%	21.4%	21.4%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Variable	2035	2035	2035	2035	2035
<b>Ages 0-14</b>	0.384	0.401	0.137	0.414	0.153
<b>Ages 15-24</b>	0.342	0.353	0.14	0.365	0.152
<b>Ages 25-64</b>	1.091	1.152	0.36	1.201	0.407
<b>Ages 65 &amp; Older</b>	0.477	0.491	0.401	0.498	0.41
<b>Total</b>	2.294	2.397	1.038	2.478	1.122

**2035 Median Age**      39.4      39.4      50.9      39.3      49.2

**Percentage Distribution**

<b>Ages 0-14</b>	16.7%	16.7%	13.2%	16.7%	13.6%
<b>Ages 15-24</b>	14.9%	14.7%	13.5%	14.7%	13.5%
<b>Ages 25-64</b>	47.6%	48.1%	34.7%	48.5%	36.3%
<b>Ages 65 &amp; Older</b>	20.8%	20.5%	38.6%	20.1%	36.5%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%



In closing, the graphic above indicates the continuing decline of the employment in the county after the simulated closing of the Depot. The community has just recently recruited new companies into the area and they reflect the increasing trend shown in the light blue line during 2006 and 2007. The Depot being shut down at this point in time would probably jeopardize these new businesses as well.

###

Good Afternoon.

Since we have been put on the BRAC list, I have been consumed. I am sad, mad and confused over this decision.

Here is my take:

Close HWAD	Save \$777 million
Environmental Cleanup	deduct \$529 million
Ship stocks to Tooele	deduct \$81 million
Demil Stocks	deduct \$176 million

The balance is \$9 million.  
In the hole.

The DOD says Hawthorne is simply a storage site, they have no active maintenance, no active distribution and no active demil. Hawthorne has accessibility and outloading problems. BRAC them.

If this is true, how can we demil over 130,000 tons of stocks in five years? How can we ship over 51,000 tons in each of three years? The DOD BRAC'd us for the very things they expect us to now accomplish.

The kicker is that in 2011, we will dismantle all our WADF equipment and ship to Tooele, where a new WADF will have been constructed.

It doesn't add up.

How many employees do you think will hang around if we remain on the BRAC list? Not many. Most will want to get off the sinking ship as soon as possible. This of course will start the ripple effect in the community.

I have lived in Hawthorne since 1964. I work for DZHC. I support all the local businesses. I do not have to lock my doors. My kids are safe walking to the park, to the store or to their friends.

I can water ski, snow ski, four wheel, and hike within minutes. I can see the stars every night and believe me they are beautiful. We have no encroachment whatsoever. This is quality of life and could only happen in a small town. I am here by choice.

DCN: 4967

We truly are America's Patriotic Home. The warfighter continues to be our #1 priority. By closing the depot, you will certainly issue the death sentence to the Town of Hawthorne.

I love Hawthorne, HWAD and the people of this community. Don't BRAC us. I will leave you with photos of what our community will look like if we are BRAC'd

Thank you.

D. Sitton



(775) 945-3321

540 F Street ~~~ HAWTHORNE, NEVADA 89415 ~~~ P.O. Box 1000

July 11, 2005

U.S. Department of Defense  
Base Realignment and Closure Commission

Re: Hawthorne Army Depot

Dear Commission Members:

I represent the El Capitan Casino and Resort in Hawthorne. Our business is the second largest private employer in Mineral County. Our business and our employees contribute a huge amount of financial support to Mineral County and the State of Nevada. Last year alone the El Capitan contributed \$680,000 in state and local taxes.

The possible closure of the Army Depot will devastate our community, our people, and our businesses. The impact, however, is much greater and deeper than that. Estimates of the financial impact predict thirty to fifty percent of the people of Hawthorne will lose their jobs. This will virtually turn our vital community into a ghost town.

For seven decades, or more, the patriotic and loyal people of Hawthorne and the Army Depot have proudly supported and worked with each other to benefit our country. It has been a strong and deep commitment. Some of America's finest have served and been trained here. The Hawthorne Army Depot has, for decades, served and protected America in times of war and in peace.

Closing the door on the community of Hawthorne, after this historic and patriotic relationship with our military base is not what this nation's citizens want or deserve. It is certainly not what the community of Hawthorne wants or deserves. In simple words, it's just plain wrong. We urge you not to close the Army Depot at Hawthorne.

We thank you for your service on this commission and ask for your careful and thoughtful consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "Bernard W. Curtis".

Bernard W. Curtis, Director of Government Relations  
Holder Hospitality Group // El Capitan

A handwritten signature in black ink, appearing to read "Richard Metts".

Richard Metts, General Manager  
El Capitan Resort Casino

DCN: 4967

Statement by Wade Barton to the BRAC commission July 11, 2005

Every dollar spent at the Depot has a multiplier.

The dollars paid to the Depot employees, and the dollars spent at local businesses are spent again and again in our community.

I get paid for a sign. I go to Bruce Dow for a dental check up, & Scotty's, and get my truck serviced.

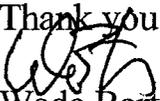
The dollars I spend are then used for wages and supplies. Scotty's get their fuel from Western Central. Those dollars are used for wages, supplies,. The people earning those wages spend their dollars at Safeway, Wagner's, Napa, etc.

Businesses survive because of the dollars that come through the Depot

Without those fresh dollars coming in our economic base is doomed. It will cause a domino effect. People will lose their homes. Property values will plummet. We will lose our Hospital, Library, and eventually our school.

If it is closed we must demand total cleanup and or the opportunity to solicit other parties interested in the storage business to utilize the facility.

Thank you for this opportunity to speak.

  
Wade Barton

P.O Box 83

Hawthorne, Nevada 89415

(775) 945-8898.

 **Financial Horizons Credit Union**  
Lifetime Banking Solutions

July 11,2005

The Honorable BRAC Commission

Good Afternoon,

My name is Barbara Reuter, and I am President of Financial Horizons Credit Union, one of two Financial Institutions in Hawthorne. I am honored to have the opportunity to speak with you today. Our credit union originated as NAD Federal Credit Union in 1947, serving only the Naval Ammunition Depot employees. We have since changed to a community credit union, however a large number of our members work at the Depot.

We receive direct deposits bi-weekly from Hawthorne Army Depot payroll exceeding \$286,000, of that, approximately 15% are loan repayments. There would be a definite impact on our credit union if members were unable to repay their loans. As a mortgage lender, the most recent appraisals on homes now have a notation that the closing of the base would negatively affect the value of the home.

Can you imagine not only losing the job you thought would take you to retirement, but being unable to sell your home because of the economic conditions in your community? These are some of the issues we will be facing if the base closes. Please consider the impact of your upcoming decision on our community, Thank you.

Respectfully,

Barbara S Reuter  
President/CEO

DCN: 4967

Hello Commissioner Coyle,

My name is Yvonne Downs and I moved to Hawthorne seven years ago. In this time I've learned to love the safety & security that Hawthorne provides to families. I love that Hawthorne's citizens take great pride in being America's Patriotic Home. I love that the Depot is a family oriented business. My husband has a brain tumor & can only work part time. With his handicap, both the town & work provide a supportive environment that you can't get in the city. We also have a 77 year old Aunt that lives with us for about ½ the year. She has lived in Hawthorne for over 50 years. I am the sole supporter of our family & there is NO WAY that I would be able to live in a city & support us. My sister moved here this year to get away from the stresses of the city. We both feel that Hawthorne provides work comparable to city life with the safety & security that only a small town can provide. If you close the Depot it will mean that families such as mine will be forced to move & experience hardships that we can't imagine with the loss of our quality of life & limits to our choices. Please DO NOT close the Hawthorne Army Depot.

Thank you.



P.O. Box 2509  
3050 Industrial Loop  
Hawthorne, NV 89415  
(775) 945-2222

Good afternoon. I'm Burton Packard, owner and operator of Bucket of Mud Ready Mix. I bought this business about a year and a half ago with the dream of being a successful businessman. So far, so good.

Now we face the possible elimination of the largest employer of our community. The closing of the Hawthorne Army Depot would be devastating to our businesses, our families, and our community.

Twenty-five years ago I came to Hawthorne to begin my adult life. Since then, my wife and I have built our dream home with our very own hands, raised our family, and had a successful career with Day & Zimmermann progressing from a firefighter trainee to the fire chief. From there, I decided to take on the ownership of my own business. Where else but Hawthorne could I have all of these opportunities? I only hope my two children will be so fortunate.

I don't need to tell you that a 50% decrease in our small town's population will affect my concrete business. No people, no construction, no business. I don't want this town to perish. This is my home and I do not want to leave!

In closing, I would like to thank you for taking time out of your busy schedule to visit us. I'm sure that you will find we are worth the effort.

Sincerely,

A handwritten signature in black ink, appearing to read "BA Packard", written over a horizontal line.

Burton A. Packard Jr.

Owner, Operator



*Bruce Dow, D.D.S., P.C.*

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P.O. BOX 2507  
155 SOUTH 'C' STREET  
HAWTHORNE, NEVADA 89415  
TELEPHONE: (775) 945-2438  
FAX: (775) 945-1348  
drdowdds@sbcglobal.net

Monday, July 11, 2005

Dear Honorable BRAC Commissioners:

My name is Michelle Dow and I am the wife and business partner of my Husband Bruce Dow, and together we run a dental practice in Hawthorne. Please listen carefully to the numbers that I am going to throw at you. 46,000, 9,44,125,000,75,0, 2 Because, these numbers represent to my family and me the losses that will be associated with the closure of the depot.

- \$46,000 per month in total payroll cost largely spent in Hawthorne. GONE.
- 9 employees. GONE
- 44% of our total patient base directly associated with depot. GONE.
- \$125,000 in uncollected revenue directly associated with last riff of only 100 employees at the depot.
- 75 miles people will have to travel to the nearest dental facility.
- 0 Dentists left in Mineral County
- 2 daughters who will be greatly wounded by moving away from the only home they've ever known.

These numbers are a startling revelation of the devastation that not only affects my family and business but virtually every family and business in the county. My family will most certainly have to move away from a beautiful lifestyle and I am not talking about financially. 29 years ago my husband left Hawthorne for dental school in Milwaukee, with every intention on bringing his education and expertise back to Hawthorne to help the people who live in and around this area. We have invested all our time and all of our resources to provide state of the art dental facility including digital radiography. If the base closes we will not be able to sell our practice for retirement, we will not be able to sell our home and we may not be able to help our children through college. The sad part about what I just said is that we will be only one of all the families located in Hawthorne that will suffer the same if not more.

My family and all citizens of take pride in the clean air, the many outdoors activities the friendly people and the realization that we belong to a community that takes care of one another.

In the business of dentistry, we take care of all people who come to us. My husband is one of very few dentists in the state of Nevada that accepts Medicaid (welfare), and when considering rural Nevada he is the only one within 75 miles who accept Medicaid. In other words, the poor will suffer again. Many of the patients we see on these low income programs don't even have a car, they walk where they need to go. If in the future they have need to see a dentist they may not have access because they can't drive the 75 miles required or they will have to find transportation and wait in pain.

Please consider the unique qualities of Hawthorne. We are not just a Depot, We are proud Americans who support our military 100%. We embrace all things military and have the capabilities and trained workforce to get the job done.

The Economic impact of the Depot closure will be catastrophic for an already struggling community. When the County's largest employer is lost the trickle down affects will occur immediately. The educated population will begin looking for employment else where, they will take their kids from our schools, the population will dwindle and all the businesses will begin to close. Services such as healthcare, fire protection, law enforcement will suffer, our taxes will go up, homes will be boarded up because they won't have any value. There will be many desperate people and therefore crime and abuse will go up. Closure will be like dropping a bomb on Hawthorne. Some will die, some will be forever handicapped and the others will leave out of fear. Thank you for caring enough to come and listen to our desperate plea for survival today.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Dow". The signature is written in dark ink and is positioned above the printed name.

Michelle Dow

DCN: 4967

July 11, 2005

Department of Defense  
BRAC Committee

Dear Committee Members;

My wife and I would like to take this opportunity to tell you about our business. We started our plumbing business in 1999. It has been a very successful venture for us.

A year and a half ago we made a bid to do the maintenance on the housing units at the Hawthorne Army Ammunition Depot. We received this contract and have since employed seven full time employees and one part time employee. The approximate annual payroll is \$156,000.00.

My wife has lived in Hawthorne all of her life and I made Hawthorne my home 22 years ago. We enjoy living in Hawthorne and want to continue to make our future home here. We have recently purchased eight acres of land to build a new home for ourselves and then sub-divide the rest of the acreage and sell to others.

The closure of the Hawthorne Army Ammunition Depot would be a dramatic loss for my wife and me. Not only would our business suffer with the loss of eight employees and their families, but our dream of having a nice home and a chance to see our land investment become a reality would diminish.

We understand that this letter is just one of many that you are reading asking for the Hawthorne Army Ammunition Depot to be removed from the closure list. We feel the closure of the base is an important event in our business and private life as well as the community of Hawthorne.

We would like to thank you for reading our letter and in some way hope that you change your mind and remove the base from the closure list.

Sincerely,

*Curtis Stoddard*  
*Patricia Stoddard*

Curtis and Patricia Stoddard  
B & S Plumbing  
P O Box 2506  
Hawthorne NV 89415

DCN: 4967

Jan Bunning  
PO Box 264, Mina NV 89422  
Ph. 775-573-2202 Email: [bizzyb@gbis.com](mailto:bizzyb@gbis.com)

July 9, 2005

BRAC Commission.  
2521 South Clark St Suite 600  
Arlington, VA 22202

Dear Commissioners:

Nevada is the fourth largest state in the Union. It has 17 counties. Mineral County is one of the largest. Hawthorne is the County Seat but, there used to be two more viable towns within it. Luning is 25 miles south and Mina, approximately ten miles more. Both of these towns are near ghost towns today and neither was dependent upon the base for most of their local employment..

You might say Mineral County has almost been "BRACked" off the map at this point.

Luning depended upon a processing and loading facility for Basic Refractories in Gabbs, 30 miles north. I can't say with any certainty how long this facility was operational. I do know, however, that my own father retired from there after 22 years. Magnesium oxide was hauled by truck from Gabbs and loaded onto rail cars in Luning. This provided a second major employer in the town - Wells Cargo Trucking. Wells Cargo maintained a shop and drivers in the area. These jobs supported local businesses to provide even more jobs and services.

Mina had a roundhouse for the Southern Pacific trains that came down from Wabuska and turned around with their loads to return. Foote Minerals and Dicalyte both had bagging and production facilities in town, trucking the ore in from the mines, and Standard Oil maintained a tank farm. These, as well as a number of other smaller users of the rail, provided a generally good small town business climate. Most of the goods and services a person required that could not be found locally, could be found in Hawthorne.

Then, in the late 1980s, Southern Pacific Railroad determined they were not making enough money on this run and pulled their trains out. Every one of the above business operations were forced to close their Mina and Luning operations. Almost everyone who had a local job was put out of work. Some hung on working in the mines in this part of the county but, then, FMC Paradise Peak Mine shut down, followed by the Corona Santa Fe Mine and finally, the Candelaria Mine. With these closures almost all of the younger people were forced to move in order to care for their families.

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DCN: 4967

Mina has lost its school, its Justice Court, seen its library cut to less than 20 hours a week, seen property values drop by another 29% at the last Assessor's appraisal, and the loss of a critical local customer base that has forced even further business closures. It has also been left with 91 acres of prime highway frontage land that cannot be sold or leased by the railroad because of contamination from the round house and facilities that had been there before. It would take millions of dollars to clean this land and make it usable. The railroad is not willing to make the expenditure, nor are any prospective buyers.

These losses cost not only the local economies but, made a tremendous impact on Hawthorne's business community, as well.

And then, to make matters worse, the last BRAC Commission took Hawthorne's Tier One Status and gave it to Tooele, causing a loss of another 300 jobs. More businesses in Hawthorne closed. More mine closures caused even more young families to relocate. Hawthorne's property values were also reduced dramatically. The loss of young people has been replaced by older people on drastically low fixed incomes that put an even greater drain on Mineral County for services and indigent care. Sales tax dollars are now going to Churchill, Lyon, Washoe Counties in Nevada and to Bishop, California.

The county is struggling for survival now without losing the approximate 550 jobs that would go with the base closure. You would be forcing Mineral County into bankruptcy and that toll would be felt by taxpayers everywhere.

I strongly urge you to reconsider DoD's recommendation for closure of the Hawthorne base and to look more carefully at the facts.

Sincerely,



JAN BUNNING, Vice Chairman

Mina Town Advisory Council

cc: Senator Harry Reid

Senator John Ensign

Congressman Jim Gibbons

Governor Kenny Guinn