

REGIONAL HEARING ISSUE SUMMARY

Naval Station Newport, Rhode Island

Boston Regional Hearing

July 6, 2005

- **Witness 1: Senator Jack Reed**

- The Virtual Submarine Training Center: A specialized educational capability that does not exist at any other Navy installation. The DoD did not include the cost of replicating this capability (estimated to be \$230M) in its cost-savings analysis.
- Realignment will undermine Newport's significant synergistic relationship with local educational/industrial entities, and result in a drain of valuable intellectual capital.

- **Witness 2: Senator Lincoln Chafee**

- Newport is a center of educational excellence for undersea warfare.
- By restructuring Newport's utilities contracts, the state of Rhode Island has been able to substantially reduce Newport's operational costs.
- Rhode Island is Service friendly: Rhode Island Salutes program
- Recent influx of state and Federal dollars has improved quality of life for Rhode Island's military population.

- **Witness 4: Congressman Patrick Kennedy**

- Relocating the Naval Warfare Development Command (NWDC) undermines the military value currently attained through the co-location of significant military intellectual capital resources in the proximate geographical area.

- **Witness 5: Congressman Jim Langevin**

- If Congress and the DoD raise existing force requirements, Newport would be in a position to acquire even more new missions/personnel.

- **Witness 6: Mr. Keith W. Stokes, Chairman, Newport Chamber of Commerce**

- The NWDC is home to a state-of-the-art war-gaming facility that was completed in 2003. Why would the DoD want to pay to abandon this new facility?
- NWDC is strategically located so that its resources are available to the Undersea Warfare Command.
- A bond agreement was recently approved by the state that will allow additional infrastructure enhancement in the Newport area.
- 200 acres of land is available for build-out of Newport itself and significant space is available at Narragansett Bay for additional test and evaluation activities.

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REGIONAL HEARING ISSUE SUMMARY

*New London Submarine Base, Connecticut
Bradley Air National Guard Station, Connecticut*

Boston Regional Hearing
July 6, 2005

- **Witness 1: Governor Jodi Rell**
 - Expressed categorical disagreement with DoD recommendations; contended that recommendation to close New London deviated substantially on all eight criteria.

- **Witness 2: Senator Christopher Dodd**
 - New London has the largest submarine porting capacity in the United States; closure reduces the Navy's surge mobilization capacity.
 - Closure would undermine the synergistic relationship between New London, Electric Boat, and the Naval Undersea Warfare Center. The synergistic relationship between New London and Electric Boat has been evolving for almost 100 years.
 - At a fundamental level, the closure of New London is a force structure/end strength decision, which can only be made Congress.
 - Moving flying mission from Bradley will impair the Guard's ability to protect the New England Air Operational domain.

- **Witness 3: Admiral Albert Konetzni, Former Commander, U.S Pacific Submarine Force**
 - By 2025 – according to current production levels – China will have three times as many submarines as the United States.
 - New London's location is strategically superior to that of Norfolk and Kings Bay.
 - Navy's force structure predictions are budget driven and compromise our military's strategic flexibility.

- **Witness 4: Mr. John Casey, President, Electric Boat**
 - Electric Boat (EB) has developed three synergistic business relationships with New London: Engineering and Design; Construction; and Maintenance. Navy personnel at New London are also an integral component of EB's test and evaluation dynamic.
 - Electric Boat is an efficient maintainer. It can offer lifetime support to the Navy's sub fleet at high cost savings because of its proximate location to New London. Increased overhead does not appear to be part of the Navy's model.

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- **Witness 5: Mr. John Markowicz, Chairman, Subbase Realignment Commission**
 - Both capacity and configuration analyses were flawed.
 - Base was not properly scored for its nuclear-certified waterfront.
 - Decision to close disregards uniqueness of mission.
 - DoD should have distinguished between surface and subsurface pier capacity.
 - Both milcon and personnel savings were overstated by hundreds of millions; there is no savings within the BRAC period using states' revised COBRA data.
 - Environmental impact was understated; Economic impact was incomplete.
 - Closure is a force structure decision that falls beyond the scope of BRAC law.
 - DoD should have based its recommendation on scenario DoN-004, which proposed moving subs from Norfolk and Kings Bay to New London. In response to Commissioner Skinner's question, Mr. Markowicz cited figures from scenario DoN-004 and asserted that the Navy could move Norfolk's subs and still achieve a \$200M savings by reducing excess billeting and cutting redundant personnel.

- **Witness 6: BG Thaddeus Martin, Adjutant General, Connecticut National Guard**
 - Revised military value analysis makes Bradley the second highest scoring A-10 ANG installation.
 - Alternate Proposal: Develop five ANG units composed of 18 PAA each.
 - Air Force recommendation violates explicit process protocols.
 - In response to Chairman Principi's question, Mr. Martin asserted that realignment would negatively impact Homeland Security mission.

REGIONAL HEARING ISSUE SUMMARY

Hanscomb Air Force Base, Massachusetts
Otis Air National Guard Stations, Massachusetts
Boston Planning Yard Puget Sound, Massachusetts

Boston Regional Hearing
July 6, 2005

- **Witness 1: Governor Mit Romney**
 - Applauded gains at Hanscomb: Massachusetts is the home to technology clusters that make it an ideal place for expanding C4ISR RDT&E; it will be easy to absorb new missions
 - Reasons not to realign Otis:
 - Failure of Air Force to engage Massachusetts Adjutant General
 - Last year, Massachusetts signed a new 50-year lease with the ANG
 - Disrupts the operations of the Coast Guard and 30 other tenant organizations
 - No real cost-savings because the Coast Guard would absorb operational expenses
 - Leaves New England with inadequate homeland defense capability

- **Witness 2: Colonel Paul G. Worcester, Commander, 102nd Fighter Wing**
 - Incorrect data used to calculate Otis's MCI; State's revised analysis improves military value from 88 to 27.
 - Flawed methodology favored Active Duty installations over Guard stations
 - Otis possesses abundant range space
 - Unsaturated air operability area capable of handling surge requirements
 - Strategically located for homeland defense mission
 - DoD understated the cost of moving Otis's flying mission

- **Witness 3: Congressman Stephen F. Lynch**
 - Boston Planning Yard (BPY) should not have been classified as, and compared to, naval shipyards
 - BPY is an extraordinarily efficient facility and military value does not increase significantly with move

REGIONAL HEARING ISSUE SUMMARY

Portsmouth Naval Shipyard, New Hampshire

Boston Regional Hearing
July 6, 2005

- **Witness 1: Senator Olympia Snowe**
 - DoD analysis failed to account for Portsmouth's dry dock maintenance capacity and the impact of closure on surge maintenance needs (a fact discussed in detail by Congressman Thomas Allen, Maine-1). If Portsmouth closes, Navy's maintenance workload would exceed available maintenance capacity by 9%.
 - DoD's decision was budget driven and did not appropriately weigh force structure plan.

- **Witness 2: Senator Susan Collins**
 - Portsmouth is Navy's most efficient shipyard – Navy will experience loss of operational efficiency if Portsmouth closes.
 - DoD failed to account for efficiency-based cost savings because Industrial JCSG could not agree on a metric to assess these savings.
 - DoD excluded certain environmental costs.
 - Payback will not occur until 2042 if Commission accepts delegation's revised COBRA model.

- **Witness 3: Admiral Albert Konetzni, Former Commander, U.S. Pacific Submarine Force**
 - 11% of a ship's life (approximately three years) is spent in maintenance.
 - According to the 2005 Force Structure Plan, all of the Navy's maintenance facilities are essential to preserve industrial plant surge capacity.
 - Decisions regarding Navy's industrial infrastructure should not be made until after Congress and the DoD determine the operational requirements of the U.S. sub force (response to a question from Chairman Principi).

- **Witness 4: Mr. Earl Donnell, Union Representative, Portsmouth Naval Shipyard**
 - Demonstrated that closing Portsmouth would severely disrupt Navy's proposed maintenance plan over the next twenty years by showing that not enough dock space (capacity) would exist to receive planned workload. Work would have to be transferred to private sector.
 - These factors would certainly reduce savings derived from closure.
 - Closure would result in the loss of a highly skilled workforce that cannot be easily replaced

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- **Witness 5: Senator John Sununu**
 - Closing Pearl Harbor would result in greater savings than closing Portsmouth
 - DoD understated one-time costs of closure by \$293M; Overstated NPV by \$1.5B
 - Results in a 30-year, as opposed to a 4-year, payback

- **Witness 6: Congressman Jeb Bradley**
 - Portsmouth possesses a unique military capability: Closure is prohibitive because of the extraordinary expense of reconstructing a facility like Portsmouth assuming surge requirements develop (i.e. it would cost \$400M, in present-day terms, to build a single new dry dock).

- **Witness 7: Governor John Balducci, Maine**
 - DoD understated environmental restoration and cleanup costs by \$100M because it applied unreasonable DIRA standards to the prospective closure of a nuclear shipyard

- **Witness 8: Governor John Lynch, New Hampshire**
 - DoD's economic-impact analysis obscures the true impact of Portsmouth's closure on local community since almost half of the Shipyard's workers live outside of the metropolitan statistical area
 - Closure results in a "federally induced recession"

REGIONAL HEARING ISSUE SUMMARY

*Naval Air Station Brunswick, Maine
Defense Finance & Accounting Service, Limestone, Maine*

Boston Regional Hearing
July 6, 2005

- **Witness 1: Senator Olympia Snowe**
 - Deviation on criteria 1: Brunswick should have received a higher military value score based on its strategic location. Moreover, a data call should have been made to evaluate Brunswick's joint training/war-fighting capabilities.
 - Deviation on criteria 2: Brunswick is the only Air Station on the East Coast with capacity to receive Boeing 737-MMA. It also has unique homeland security mission capacity; its NORTHCOM-related missions simply cannot be performed from Jacksonville. Recent Federal, state and NATO investment has enhanced the quality and quantity of installation's capacity. Finally, Brunswick has nearly 1,000 acres available for expansion and no encroachment issues
 - Deviation on criteria 3: Mission costs will increase if maritime operational domain must be patrolled with aircraft based in Jacksonville. Personnel savings dramatically overstated, since 40% of maintenance personnel are already scheduled to be eliminated programmatically. NPV is thus dramatically overstated.
 - Deviation on criteria 6: Navy placed Brunswick in the wrong statistical metropolitan area.

- **Witness 2: Senator Susan Collins**
 - Revised military value score makes DFAS Limestone 2nd highest ranking DFAS facility.
 - Major renovations to facility have brought it into compliance with current force protections standards.
 - Facility has potential for significant expansion and could absorb new personnel without additional military construction.
 - According to a statement made by DFAS's commander, Limestone could easily become a DFAS Center of Excellence and acquire new missions.
 - There are no cost-savings associated with closing Limestone unless it is lumped together with other DFAS closures, however, according to Maine's COBRA data, realigning other DFAS facilities to Limestone would result in significant savings.
 - DoD did not appropriately consider the economic impact of closure (DFAS revitalized community after previous closure of Loring Air Force Base).

- **Witness 3: Congressman Mike Michaud**
 - As a virtual network, DFAS operations can be performed virtually anywhere; however, DFAS Limestone is the only DFAS facility with the linguistic and cultural skills to process the workload from U.S. Air Force Europe.
 - Limestone has just entered into a 50-year no-cost lease, reducing operational overhead.
 - Limestone is strategically located on its own power grid, whereas Indianapolis and Columbus are located on the same grid.
 - Limestone has the shortest hiring time of any DFAS facility.

- **Witness 4: Carl Flora, President, Loring Development Authority**
 - Closure would result in local unemployment rate of 33%

- **Witness 5: Governor John Balducci**
 - Maine will suffer the 2nd-highest absolute military and civilian job loss of any state affected by DoD's BRAC recommendations; it will suffer the highest percentage job loss. This job loss will be the equivalent of losing the state's paper manufacturing industry.
 - The total direct and indirect effect on wages in Maine will be the equivalent of losing the state's entire farming, fishing, forestry, and logging industries.
 - In conjunction with non-BRAC job loss, it will create a "federally induced recession."