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Dear BRAC Commissioners and Staff Members:

The BRAC recommendation found on page Tech-19 of Section 10 of Vol I, Part II of Create and Integrated Weapons and Armaments Specialty Site for Guns and Ammunition is a recommendation made at the highest levels and is one that I do not feel was made knowing all the impacts or potential implications to the Department of the Navy as well as the Department of Defense. Below are several issues which I feel that the BRAC commission should consider in their final decision. I admit that this letter is quite lengthy but please read and consider these issues in your final decision.

#### Recommendation in Conflict with Group's Principle

The recommendation itself is in direct conflict one of the two principles of the Technical Joint-Cross Service Group found in Section 10, page Tech-1 of Vol I, Part II of the BRAC recommendations. This principle is to maintain competition of ideas by retaining at least two geographically separated sites, each of which would have similar combination of technologies and functions. If ammunition engineering at Indian Head, MD, Dahlgren, VA, Crane, IN and Fallbrook, CA are consolidated in Picatinny, NJ, there would be no second site. These sites constitute the geographically separated sites with similar combination of technologies and functions.

USSOCOM, chooses to do business with the Crane, IN in regards to weapons and ammunition. While USSOCOM is a joint command, its tendencies are to rely on the US Army support structure, including Picatinny. However, USSOCOM has designated Crane as the program manager and engineering agent for a number of weapon programs. Crane consistently delivers a well engineered product, at a lower cost, that meets the operators requirements in a faster manner than Picatinny had demonstrated that they are capable of doing. Could these decisions by USSOCOM be because Crane provides a viable source of competing ideas?

Another issue is not addressed but should be considered, why did DOD AT&L directly intervened to remove an \$25M R&D program from Picatinny and direct that it be executed at Dahlgren if Dahlgren did not provide a viable source of competing ideas?

#### Fiscal Issues

The projected payback period for the subject recommendation is estimated at 13 years while the desired payback for a BRAC recommendation is 4 years.

Projected net present value of the cost savings for this recommendation is only \$32.6M, while at the same time have one of the greatest economic impacts of any recommendation in the report (4.9% for Martin County, IN). (The overall economic impact to Martin County, IN if all BRAC recommendations are implemented is greater than 10%. This is the second highest economic impact to any one area affected by the BRAC recommendations and an order of

magnitude higher than the average economic impact.) I offer to the commission that any recommendation with a net present value of less than \$50M can not be substantiated due to the volatile nature of funding, programs and economics. Cost savings on the order of \$32.6M can be realized through other more effective means than disrupting navy gun ammunition engineering and jeopardizing the safety of Naval Gun Ammunition and Weapons for the sake of change.

The 13 recommendations made by the Technical Joint-Cross Service Group range in net present value from \$2.0M to \$572.M. Five exceeded \$238M in net present value while the remaining eight were less than \$62M net present value. Those that exceed \$238M in net present value probably have some merit, but again I would offer than any recommendation with a net present value of less than \$50M should be closely examined to ensure that change is not being recommended for the sake of change. It appears that any scenario with a positive net present value was made a recommendation.

By examining the weighted grading criteria used to support the subject recommendation, it is found that personnel was weighted as high as ~16%, cost at ~2% and encroachment at around ~2% as well (see tables B13-B15 of Volume XII). The weighting of these criteria should be re-examined in light of the subject recommendation. Activities with lower labor rates that are more efficient (ie use less people to perform a specific function) are in effect penalized in the current weighting.

#### Retention and Loss of Human Capital and Knowledge Base

No human capital retention plan has been developed to support this recommendation.

Only considers a numerical match at the highest level. It doesn't consider unique capabilities or the potential loss of engineering expertise to support Navy ammunition.

Does not consider the impact to the knowledge base for Navy and USMC ammunition. Involves movement of work and personnel to one of the highest cost of living areas in the country. In my opinion, less than 5% of personnel would consider moving. There is no guarantee that this 5% have the knowledge to re-establish and foster the required knowledge base.

There are no colleges or universities that produce ammunition engineers. It is a specialized field that is learned through on the job training after earning a degree in engineering. It will take a minimum of five years to foster the development of an ammunition engineer. The critical knowledge to the US Navy can only be fostered under Navy friendly environment. Can the Navy and USMC do without their engineering expertise for five years? Will the Service's get the product that they need while this engineer is being fostered by an organization whose primary mission is to meet the needs of the Army?

Loss of engineering expertise will be measured in lives lost and personnel injury. This liability, in and off itself, could be sufficient to negate any cost savings that could be realized from a realignment involving a physical move.

A very strong case can be made that incidents involving naval ammunition such as the USS Forrestal, USS Newport News, USS Iowa and others could be attributable to a loss of one of two things: engineering management oversight or configuration management. This proposed recommendation will result in the potential loss of both at the same time. This is a very lethal combination. If both are lost, it is not very much of a stretch to believe that ammunition produced during this time period will not meet Navy requirements and potentially be unsafe to

the point of injury the very people it is meant to protect (the Sailor and/or Marine).

#### Lack of a Flag Level Advocate for Navy Guns and Ammunition

I believe that Navy and USMC ammunition engineering is the victim of the lack of advocacy at the Flag level. It is clear that NAVAIR/China Lake/Indian Head had some advocacy at the level at which the DOD BRAC recommendations were made. Is it a coincidence that the Navy retained energetics at Indian Head and that NAVAIR/China Lake received workload? Shouldn't the same arguments that retained this workload within the Navy be used to keep ammunition engineering within the Navy? I believe that Navy ammunition was added to this to appear that the group that made these recommendations had done something.

There is a mis-guided perception within Navy leadership that Indian Head, MD is of great military value to the Navy and the advocacy of this perception is evident in the small impact of this recommendation to that activity. The activity at Indian Head, MD has financial management issues and has encroachment issues. Common sense would dictate that these factors would significantly diminish its military value.

#### Army Specific Issues

Joint endeavors in which the Army is designated as the lead Service typically end up being Army programs that meet Army needs to the exclusion of any others.

While the Army is the lead Service for the development of many ammunition items, there are many reasons why that the other Service's have ammunition engineering:

- o Historically, the Army has been very good at taking care of the Army to the exclusion of all other Service's requirements.
- o The Service's engineering centers are the advocates for the Services to ensure that each Service's individual needs are being met; its already been tried the joint way and the result was the evolution of the Service's engineering centers..
- o The engineering centers provide a check and balance to the Army that cannot be realized in a consolidated, joint environment.
- o The engineering centers provide a more cost effective or time critical solution than does the Army. While Picatinny's labor rate may be less than many of the activities losing billets, Picatinny typically assigns two to three times as many personnel to a project as do the other Services. This, in and of itself, will negate any cost savings that could be realized from a realignment involving a physical move.

#### Functions, Functional Alignment and Current Structures

USAF ammunition engineering or logistics functions are not involved in this consolidation.

Does not consider the proper alignment of functions with activities. For example, In-service management is recommended for transfer from Crane IN to Picatinny, NJ while the US Army's in-service management function is performed in Rock Island, IL. There are at least 200 jobs from Crane IN and Fallbrook, CA that are more closely aligned with Rock Island than they are with Picatinny. What is gained by moving these functions farther away from their Army

counterparts?

Does not consider the amount of coordination that already exists between the Services. The Army is the lead agent for common service items (when it is convenient for them). USN and USMC already pay (overpay) Picatinny for production engineering of these items. The other Service's engineering agents are typically involved in the development of Service unique items. That involves many of the billets that are identified for transfer from Indian Head, Dahlgren, Crane and Fallbrook. Many times Service unique items are transitioned to the Army for procurement under via the Single Manager for Conventional Ammunition. Additionally, those engineers involved in the acquisition of common service items for the USMC and USN, do so to provide a check and balance to the process. They ensure the Service unique requirements are included in the procurement, that acceptable material is delivered and it is delivered in a timely manner.

#### Fiscal Hardship of Affected Employees

Should the retention of this engineering knowledge be borne on the finances of the affected employees? The cost to the individual affected by movement actions is not considered. Specifically, the movement of personnel from relatively low cost of living areas to a very high cost of living area is not considered. Even affected personnel who live in Fredericksburg, VA and the Washington, DC areas consider the cost of living in NJ to be excessive. Bottom line to this is that individuals in the areas losing jobs cannot afford to move to NJ further compounding the loss of engineering expertise.

- o \$150,000, 3,000 sq ft, three bedroom house in Indiana would cost \$500,000 to \$750,000 in NJ.

- o The annual property taxes paid by a resident of Indian are 1/12 the annual property taxes in NJ.

- o There are no major auto insurance companies operating in NJ. Auto insurance is rumored to cost at least three times as much in NJ when compared to IN.

#### Other Issues and Impacts

Additionally, there are other closures recommended in the BRAC report that will adversely affect the production base of Navy ammunition; specifically the closure of Riverbank AAP and Lone Star AAP. If these other recommendations come to fruition, it will adversely affect Navy ammunition for several years. If these other recommendations and the subject recommendation comes to fruition, there will be no such thing as Navy ammunition to support.

It appears as if the Dahlgren Test Range will be closed. The closure of the Dahlgren Test Range will be a significant loss to the Naval gun and ammunition engineering product area. Navy will no longer have the ability to test fuzes over water. Proper fuze functioning of ammunition is a significant issue to the Navy but not to the Army.

Loss of cenergy between CAAA production and maintenance facilities that support Navy 5 in and 76mm ammunition and the Navy engineers located at Crane that support those functions.

Apparently did not consider possible encroachment issues at Picatinny, NJ. There are no or relatively few encroachment issues at Crane, IN. Even though Picatinny may represent the center

of mass of engineering effort in ammunition (only by virtue of more personnel, not quality of work) , it also suffers from encroachment issues. Why move engineers and possibly test facilities that support those engineers from an ideal area for engineering and development of ammunition from a un-encroached area to a highly encroached area?

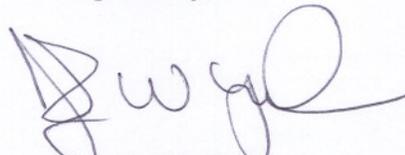
Recommendation has given no consideration for the creation of a virtual technology center in this technical area. Current trend in private industry is to create cenergy via virtual collaboration rather than physical movements. With current technologies such as VTC, on-line collaboration tools and IT infrastructure, there would appear to be no valid reason to uproot and disrupt an entire technological community and capability for the small net present value of the cost savings.

Recommendation:

Remove the recommendation **Create an Integrated Weapons and Armaments Specialty Site for Guns and Ammunition from the BRAC list to be forwarded to the President.** The specialty site recommendation lacks merit in that it conflicts with the stated goals of the Technical-Joint Cross Group, does not hold up to economic scrutiny, will cause a significant level of disruption to the Navy gun and ammunition product areas due to loss of technical expertise and will jeopardize safety of Navy guns and ammunition at an unacceptable level.

Thank you for your consideration.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. W. Yarbor', with a large, stylized flourish at the end.

John W. Yarbor

CC:

Senator Richard Lugar

Senator Evan Bayh

Congressman John Hosteteller

Governor Mitch Daniels