

**BASE VISIT REPORT****NSA CORONA, NORCO, CA****July 12, 2005****LEAD COMMISSIONER:** Commissioner Bilbray, Commissioner Coyle**ACCOMPANYING COMMISSIONER:** None**COMMISSION STAFF:** David Epstein/Navy; Lester Farrington/Cross-Service**LIST OF ATTENDEES:**

<b>NAME</b>	<b>ACTIVITY/TITLE</b>	<b>E-MAIL ADDRESS</b>	<b>PHONE NUMBER</b>
Honorable James H. Bilbray	BRAC Commissioner		
Honorable Philip Coyle	BRAC Commissioner		
David Epstein	BRAC Commission/Staff	David.Epstein@wso.whs.mil	703-699-2947
Lester C. Farrington	BRAC Commission/Staff	Lester.Farrington@wso.whs.mil	703-699-2914
D'Ann Lanning	Senator Feinstein's Office/Field Rep	DAnn_Lanning@feinstein.senate.gov	310-914-7300
Dave Ramey	Congressman Calvert's Office/Chief of Staff	dave.ramey@mail.house.gov	202-225-1986
Bill Berl	City of Norco/Consultant	wberl@thepmagroup.com	703-415-0344
Bob Everly	Inland Empire Installation Support Committee	reverly@starband.net	760-742-2742
Brian Oulman	City of Norco	boulman@ci.norco.ca.us	951-270-5645
John W. Verheul	NSWC Headquarters/BRAC staff	john.verheul@navy.mil	202-781-3447
CAPT Robert A. Shafer	NSWC, Corona/Commanding Officer	robert.a.shafer@navy.mil	951-273-5123
John V. Fishell	NSWC, Corona/Technical Operations Manager	john.fishell@navy.mil	951-273-5135
Mike McCune	NSWC, Corona/Deputy Technical Operations Manager	mike.mccune@navy.mil	951-273-5001
Dennis Antonio	NSWC, Corona/BRAC Office	dennis.antonio@navy.mil	951-273-4893
James Watson	NSWC, Corona/Combat Systems Assessment Dept Head	james.r.watson@navy.mil	951-273-4572
Penny Campbell	NSWC, Corona/Command Admin Officer	penny.campbell@navy.mil	951-273-4688
David Smith	NSWC, Corona/Comptroller	david.w.smith2@navy.mil	951-273-5278
Richard Timmons	NSWC, Corona/Deputy for Independent Assessment	richard.timmons@navy.mil	951-273-4350

Dianne Costlow	NSWC, Corona/Force Training Assessment Dept Head	dianne.costlow@navy.mil	951-273-5231
Daniel Bergstrom	NSWC, Corona/Joint Force Assessment Dept Head	daniel.bergstrom@navy.mil	951-273-5084
Arman Hovakemian	NSWC, Corona/Measurement Science Dept Head	arman.hovakemian@navy.mil	951-273-5221
Doug Sugg	NSWC, Corona/Product Engineering Dept Head	douglas.sugg@navy.mil	951-273-4404
Roberta Spieler	NSWC, Corona/Public Affairs Officer	roberta.spieler@navy.mil	951-273-5482
Paul Thornberry	NSWC, Corona/Quality Assessment Dept Head	paul.thornberry@navy.mil	951-273-5381
CDR Harrison Heublein	Naval Support Activity/Officer in Charge	harrison.heublein@navy.mil	951-273-4867
LCDR Michael Tasker	Navy Region Southwest/Regional BRAC POC	michael.tasker@navy.mil	619-556-0054

The staff visit, which occurred on July 6<sup>th</sup>, involved many of the same people. In addition, the staff met with Congressman Calvert.

The community meeting attendees attended as part of the staff visit included:

NAME	ORGANIZATION
Bill Berl	PMA Group
Ray Navera	City of Corona
Donna Casebier	Computer Sciences Corp.
Bob Bordeaux	Computer Sciences Corp
Bob Everly	Computer Sciences Corp
Maria Bowie	Rep. Ken Calvert
Brian Oulman	City of Norco
Ron Shukis	Computer Sciences Corp
David Epstein	BRAC/Navy
Lester Farrington	BRAC/Cross Service

**BASE'S PRESENT MISSION:** Provides assessments of combat systems, force training, joint force warfare and combat systems, product engineering, and quality. Also, they are the Navy's primary technical authority for the Metrology and Calibration (METCAL) program.

**SECRETARY OF DEFENSE RECOMMENDATION:** Close Naval Support Activity Corona, CA. Relocate Naval Surface Warfare Center Division Corona, CA to Naval Base Ventura County (Naval Air Station Point Mugu), CA.

**SECRETARY OF DEFENSE JUSTIFICATION:** The Naval Surface Warfare Center Division Corona performs three required missions for Department of the Navy (Independent Assessment Capability, Metrology and Calibration Laboratories, and Tactical Aircrew Combat Training System Ranges). It was analyzed under 11 Research, Development & Acquisition, and Test & Evaluation functions (Air Platforms Development & Acquisition; Air Platforms Test & Evaluation; Ground Vehicles Test and Evaluation; Information Systems Technology Development & Acquisition; Information Systems Technology Test & Evaluation; Sea Vehicles Development & Acquisition; Sea Vehicles Test & Evaluation; Sensors, Electronics, and Electronic Warfare Development & Acquisition; Sensors, Electronics, and Electronic Warfare Test & Evaluation; Weapons Technology Development & Acquisition; and Weapons Technology Test & Evaluation). In each functional area, Naval Surface Warfare Center Division Corona's quantitative military value scores fell in the bottom half of facilities performing the same function, and thus were reviewed for relocation and/or consolidation with like functions. The Department of the Navy determined it would lose a critical capability if the 11 functions were relocated to a variety of locations, since this would fracture the full spectrum warfare center and independent assessment capability. Considering the overall military value and the fact that Naval Support Activity Corona was a single function facility, the Department reviewed the possibility of relocating the Naval Surface Warfare Center functions to a multi-functional location with the capability to host these functions. Relocation of Naval Surface Warfare Center Division Corona to Naval Air Station Point Mugu collocates it with other Research, Development & Acquisition, and Test & Evaluation activities and with fleet assets at Naval Air Station Point Mugu. This consolidation of space will provide a more efficient organization with greater synergies and increased effectiveness.

Relocation of Naval Surface Warfare Center Division Corona Research, Development & Acquisition, and Test & Evaluation functions to Naval Air Station Point Mugu removes the primary mission from Naval Support Activity Corona and eliminates or moves the entirety of the workforce at Naval Support Activity Corona except for those personnel associated with the base operations support function. As a result, retention of Naval Support Activity Corona is no longer necessary.

**MAIN FACILITIES REVIEWED:** HQ building where the meeting was held, the Joint Warfare Assessment Laboratory (JWAL), and the Measurement Science Technology Laboratory. Also, during the staff visit, we briefly viewed several one-story office buildings that we were told did not comply with current security requirements.

**KEY ISSUES IDENTIFIED:**

- Brain drain, the risk that many employees will not make the move, was the most stressed issue. They pointed out the clear linkage to military readiness;
- Cost concerns are a distant second. The COBRA shows the net present value of the savings as \$360,000 over 20 years. The community pointed out that this is a

pittance, even if accurate and highly risky given the uncertainty of MILCON costs and the likelihood that the rate at which employees separate is likely to be significantly higher than the model assumptions indicate. Furthermore, the model ignores the significant training costs for replacement employees. Finally, the COBRA model appears to significantly understate the cost of the move because the analysis assumes that rehabilitated space will be available to accommodate the two major laboratories, whereas the receiver now acknowledges that the more expensive new construction will be required.

- Finally, they cited the independence issue, which they say is sufficient grounds for not moving the command to Point Mugu where it would be a tenant and/or subordinate activity.

**INSTALLATION CONCERNS RAISED:** The primary issue is brain drain (loss of intellectual capital). However, other concerns apply:

- **Occupancy Costs Corona vs. VCNB:**
  - The COBRA significantly understates the cost to move because it presumes that the moved personnel would occupy rehabbed, rather than new construction spaces;
  - The number of required squared feet of space was reduced from the COBRA specified 412,000 to 312,000.
  - The cost of moving major pieces of equipment, particularly the dead weight force machine, was omitted. Furthermore, in the case of this piece of equipment, it would be necessary either to dig it at least three floors below ground level or to build a vibration resistant foundation and then build the facility up three or four floors above the foundation. In particular, digging down might be impossible because of the high water table (wetlands).
  - Concern was expressed about archeological and environmental issues, as cited in the COBRA
  - Some of the buildings, especially the calibration laboratory, were specifically designed with climate controlled systems that keep the temperature and humidity within very narrow limits to preclude expansion and similar issues.
  - Some of the equipment in this same building is extremely intolerant of vibrations and it was unknown whether wave action would adversely affect this equipment.
  - The COBRA significantly understates the cost to move because it presumes that the moved personnel would occupy rehabbed, rather than new construction spaces.
  - The Pt. Mugu plan for providing offices for Corona entails various buildings, some 0.5 miles from other Corona buildings.
- **Brain Drain:**
  - Corona has had a successful program of cultivating future employees

through scouting, tutoring, and other programs for local school children. In addition it offers many local students from six schools within a 30 mile radius internships and summer jobs. 95% of the students who complete these programs are offered and accept permanent employment at Corona. This explains why the Navy facility's professional staff is more than 20% female and over xxx percent minority. These strong ties to the local community are expected to work against the Navy if the Corona facility were closed because so many of its employees have strong roots in the community and are unlikely to make the move to Pt. Mugu.

- In a recent poll, fewer than 20% of current employees expressed a willingness to move.
  - Another indicator is of the unlikelihood of employees to move is the increasing tendency for both adults in a household to work. The number of couples with two bread-winners will result in fewer employees moving as the "other" spouse may find it difficult to find acceptable employment.
  - The estimated costs ignore retraining costs, which are likely to average \$50-70K for each person that does not make the move to Point Mugu.
- The move to Pt. Mugu does not show any savings. When the original COBRA was prepared, there was a multi-million dollar savings, but then the Navy corrected the COBRA to show a savings of only \$360K, but it neglected to point out the corrected amount to the Technical Joint Cross Service Group (TJCSG). The Current COBRA does not reflect the now-acknowledged need to build the JWAL and the MSTL as new construction, rather than by using rehabbed space as is currently assumed.
  - A move to March Air Reserve Base, might have included higher MILCON costs since all new facilities would have been required, however, they believe that employees would not resign and there would be no PCS costs.. The TJCSG ran that scenario, but it was taken off the table -- and the community believes that this action was attributable to the Navy's perception that it had to backfill Pt. Mugu.
  - The true value of Corona's value to the Navy is its independent assessment. They are an honest broker and have no vested interest in the results of their recommendations. Along that line, we were shown a short video of Admiral Gehman testifying before the Challenger Commission in which he stated that an independent broker without concern for cost or deadlines was the most important recommendation that he could make -- and he cited Corona as the gold standard. Also in that regard, we were given testimonial information and it was noted that the other Services engage Corona to support them. Also foreign militaries, Ballistic Missile Defense, and others use Corona. General xxxx, who heads the Ballistic Missile Defense Office project, had asked retired RADM Paige to come to Redstone Arsenal in Huntsville to straighten

out their problems, using the Corona model.

- There is no synergy between the missions of the two organizations and the two organizations should be kept organizationally separate. Corona is the customer for only 5 % of Pt. Mugu's billings, as measured in revenue dollars.

**COMMUNITY CONCERNS RAISED:** There was a community meeting with the staff prior to the commissioner visit. In addition to the items that follow, see installation concerns identified during our meeting with the civilian management, described above.

**Community Concerns:**

- We met with representatives of the Corona Community at the Norco City Hall, which is about one mile from the base. We met with Bill Berle, a lobbyist employed by SMA Corporation, Maria xx, the Staff Legislative Assistant for Representative xxx, who represents the district, and other personnel most of whom have ties to Computer Sciences Corporation, which has about \$26 M per year in contracts with the base. We discussed both items of concern to the community as well as a shorter list of items of concern to contractors, particularly CSC.
- Cost of living - a house which would cost about \$350 K (about 1800 sq. ft) in Corona would cost about \$800K in Ventura County. When asked whether salaries for similarly skilled or similar work varied compared to salaries at Corona, we were told that according to Department of Labor schedules, the difference in pay for one of their typical employees would be about \$0.40 per hour higher in Ventura, but he had no experience that would help him answer the question whether CSC could actually hire equally qualified staff for just \$800 more per year.
- An important aspect of the cost of living issue is Proposition 13, which froze property taxes decades ago. Under this law, property taxes for the same property can not increase by more than one percent per year on one's principal residence until the property is sold. Thus, someone who bought a \$100K home twenty years ago would probably be paying about \$1200 per year in property taxes. That home would likely be worth \$350K today. A comparable replacement home in Ventura County, which would cost about \$750 K, would have annual property taxes of over \$8000.
- The move to Pt. Mugu is just a backfill to prop and backfill the space which would be vacated by some Pt. Mugu personnel, if the DOD-recommended realignment to China Lake were approved. That is, the Navy was just attempting to utilize the facilities which would be vacated under the recommendations moving personnel from Pt. Mugu to China Lake (and elsewhere).

- One of the major justifications for moving Corona to Pt. Mugu was to accentuate the relationship with the Fleet. However, 1) the Fleet is not in Pt. Mugu and little of Corona's business is with Pt. Mugu situated commands. 2) There is the importance of independence which would be weakened if there were a landlord-tenant relationship or if Corona had to report through lower level organization. 3) And as Admiral Belisle pointed out shortly before his retirement, the Navy is moving increasingly to distance learning and support. In fact, consideration had been given to having Corona report to SECNAV or other high-level organization. This is particularly relevant given the fact that NAVSEA and its subordinate commands are only responsible for less than one-fifth of Corona's business, despite the fact that Corona is a NAVSEA organization.

**Contractor Concerns:**

- Cost of living - a house which would cost about \$350 K (about 1800 sq. ft) in Corona would cost about \$800K in Ventura County. When asked whether salaries for similarly skilled or similar work varied compared to salaries at Corona, we were told that according to Department of Labor schedules, the difference in pay for one of their typical employees would be about \$0.40 per hour higher in Ventura, but he had no experience that would help him answer the question whether CSC could actually hire equally qualified staff for just \$800 more per year.
- CSC has owned its building in Ventura for forty years and does not charge the Navy for that facility other than maintenance and utilities and other upkeep. He estimated that he would have to lease a 5000 square foot building at about \$12 per month per square foot.
- The government would not pay PCS costs for contractor personnel, and with the exception of a few valued employees, CSC would probably decline to pay those costs for the other employees.
- The cost of moving 48,000 square feet worth of office and other CSC owned equipment from the contractor's Corona office was not included.
- CSC employs about 300 people in Corona who are 90% dedicated to supporting the Navy facility.
- CSC has office space within the Corona fence line, but no allowance was made for them to have space in Ventura.

**Pt. Mugu Comments on Corona Concerns:**

- Pt. Mugu personnel said they were not responsible for the reduction in

Corona's requirements from 412K square feet to 312K square feet. They said we should check up the NAVSEA chain of command.

- They recognize that the buildings they had originally proposed to be used as the two large laboratories were inadequate and they would build new construction two new buildings, one of 48 K square feet and the other of 40 K square feet. They thought that this would be less expensive than the rehabbing project. However, for the purposes of COBRA, the cost per square foot is determined by the type of building, the base location, and the square footage. There is also a MILCON project for Corona that was previously approved, and that would probably be redirected to Pt. Mugu if the move were approved.
- They were not responsible for the approach to reducing employment by an automatic 15%.
- They would build the strength machine above ground – they said that Corona engineers concurred with this approach during their June site visit.
- They did not contest the Corona contention that its independence is very important. They also did not contest the Corona position that there is no synergy between the missions of the two installations.

**REQUESTS FOR STAFF AS A RESULT OF VISIT:** None.