

**DEFENSE BASE CLOSURE AND REALIGNMENT
COMMISSION**

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MEMORANDUM OF MEETING

DATE: May 27, 2005

TIME: 7:30 AM – 10:30 AM

MEETING WITH:

Col (USMC) John D. Gumbel, Commanding Officer, Naval Air Depot, (NADEP),
Cherry Point, Phone: (252) 464-7000/7001, E-Mail: john.gumbel@navy.mil

Ms. Mary Beth Fennell, Industrial Business Operations Head,
Phone: (252) 464-7049/7703, E-Mail: mary.fennell@navy.mil

SUBJECT: Discuss Briefings and financial data provided NADEP Cherry Point

PARTICIPANTS:

Thomas A. Pantelides *

Colleen Turner

LIST OF ATTENDEES:

Col (USMC) John D. Gumbel, Commanding Officer, Naval Air Depot Cherry Point,
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Ms. Mary Beth Fennell, Industrial Business Operations Head,
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MEETING SUMMARY:

The cost of operations and the manpower implications and the extent and timing of potential costs and savings were the two issues Discussed.

We summarized our observations of the DOD recommendation as a proposal to transform and realign the intermediate and Depot level maintenance facilities into a network of Fleet Readiness Centers (FRC)'s on both coasts. Cherry Point was the East Coast site

identified as having a reduction of 632 positions as a result of the realignment to FRC's on the east coast.

During our discussions we agreed that of the 632 positions listed for Cherry Point, only 190 were potential reductions with 104 positions being movements to other FRC's. The remaining reductions of 338 were identified as coming from the Oceana Depot maintenance facility. (CP - 5 page 1)

In addition to the actions described in this recommendation, there were four additional actions involved in the comprehensive merger of depot and intermediate maintenance: Naval Air Station Joint Reserve Base Willow Grove, PA, Naval Air Station Corpus Christi, TX, Naval Air Station Brunswick, ME, and Naval Air Station Atlanta, GA. The actions at these installations were described in separate installation closure recommendations in the Department of the Navy section of the BRAC Report. The effect of these actions will be the absorption of the IMA's at these bases into the east and west coast FRC's.

We asked Col. Gumbel to explain the plan as it related to these actions. Col. Gumbel explained that the execution phase of the DOD proposal was being discussed with the issue of funding and accounting for the proposed FRC's as a topic that would be worked out during implementation of the proposal. Based on briefings developed by Mr. Stew Paul (CP - 2 pages 8&9) Col. Gumbel outlined the following:

Naval Air Station Joint Reserve Base Willow Grove, PA,

The Aviation Intermediate Maintenance Department, (AIMD), will be realigned into FRC East, Cherry Point.

Naval Air Station Corpus Christi, TX,

AIMD, Corpus Christi, will be realigned into FRC Mid Atlantic Site Pax River

Naval Air Station Brunswick, ME,

AIMD, Brunswick, will be realigned into FRC South East, Jacksonville

Naval Air Station, Atlanta, GA.

AIMD, Atlanta, will be realigned into FRC West Site, Fort Worth, TX.

Naval Surface Warfare Center , Crane (ALQ-99)

An action not listed in this proposal is the relocation of Naval Surface Warfare Center, Crane (ALQ-99). Based on preliminary information the center at Crane is scheduled to be realigned into FRC Northwest, Whidbey Island.

We discussed the numbers of slots (positions) currently authorized and what number will be relocated. We also discussed the positions currently manned, and how many people plan to relocate? Col. Gumbel suggested we contact Mr. Stew Paul of the joint service group who calculated the numbers and projected savings for the FRC realignment.

Mr. Stew Paul in a conference call explained that all estimated reductions are based on workload movements and would be apportioned through-out all of the FRC's and their respective sites on the East and West Coast. He explained that the details were being formalized. We agreed to meet with Mr. Paul next week to obtain further clarification of DOD's proposal.

Col. Gumbel explained that the proposal was in Phase one of a three year plan (CP – 3 page 18) with many questions remaining. For example, Mr. Stew Paul noted that many of the planned moves would be accomplished though normal attrition with personnel given the choice of movements proposed. The actual movement of personnel from Cherry may be offset by movements from other FRC's or intermediate maintenance facilities not included in the FRC proposal numbers.

We agreed that we needed to talk to Mr. Stew Paul to clarify the numbers and have arranged a meeting with him to obtain an overview of how costs of operations were calculated and the assumptions used resulting in the estimates of savings in support of DOD's proposal.

The manpower implications and the extent and timing of potential costs and savings

We discussed the many improvements that have allowed the facility to under-execute indirect and to a lesser degree direct labor standards. Additionally, Col. Gumbel stressed that the Cherry Point facility has drastically reduced turnaround time for its work, this at a time of increased workload given significant extra wear and tear incurred within overseas theaters of operation.

Ms. Mary Beth provided accounting data and information on personnel actually on board. Based on the information provided we estimate Cherry Point Depot currently has about 230 positions that are not filled. Fiscal 05 projections briefed were 4,038 (CP- 1 page 6) less 4, 268 authorized for fiscal year 2005 (CP – 6 page 1).

Another method of calculating positions not filled using the data provided shows 185 positions not filled. (CP – 6 page 1). We have asked for additional data to clarify this issue. During our discussions we used 230 positions because it included a projection of personnel for the entire fiscal year rather than a comparison of personnel authorized in fiscal year compared to actual an actual as of the date of our visit.

We also discussed the accuracy of current standards used in projecting future requirements and examined data showing direct and indirect under-execution of the standards. A review of the variance of the standards to actual hour's shows that based on the variance in direct and indirect as of April 05 about 240 positions would not be

required given the current workload. (CP – 5 page 2). This estimate corroborates the many improvements that have allowed the facility to under-execute indirect and direct labor standards and explains why all positions are not filled even though planned workload is higher than funded in a peacetime budget. Additionally, given the comments made by Mr. Best in our tour of T58 engine repair we requested and verified that he was in fact under-executing both direct and indirect hours. (CP – 7).

We discussed the accuracy of projected savings due to the variance in positions and actual personnel on board. We agreed that the variance would have the effect of reducing projected savings by a degree. We were told that the variance at Cherry Point may not be representative of all NADEPS. Given that cost savings are calculated across all FRC's the effect of the variance at Cherry Point can not be projected. However this variance would have the effect of reducing projected savings by a degree. We plan to follow-up at the headquarters and the West Coast depot maintenance facilities to assess the variance between authorized and actual personnel in order to assess the manpower implications and the extent and timing of potential costs and savings proposed.

INSTALLATION CONCERNS RAISED:

Installation Officials agreed that the effect of not having all positions filled would result in a very small reduction in projected savings. However, they estimate that over the entire Naval Aviation Enterprise, the proposal will result in major savings.

COMMUNITY CONCERNS RAISED:

Col. Gumbel noted that the Cherry Point community is not concerned over the proposed realignment to FRC's. He explained that any reductions in positions would be over time and be made with normal attrition. He noted that he assured political leaders that Cherry Point would not experience an adverse affect as a result of the FRC realignment proposal.

ADDITIONAL INFORMATION REQUESTED

We requested the additional pages of the Budget pagers provided and the input data provided to for the COBRA run in support of the BRAC proposal.