

BASE VISIT REPORT

**Naval Air Depot,
North Island, Naval Air Station, Coronado, Ca**

June 8, 2005

LEAD COMMISSIONER:

The Honorable Anthony J. Principi, Chairman

ACCOMPANYING COMMISSIONER:

None

COMMISSION STAFF:

Dave Van Saun, Team Leader,

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BASE'S PRESENT MISSION:

The Naval Air Depot, North Island is a major tenant at Naval Base Coronado and is the west coast naval aircraft depot specializing in the support of aircraft and related systems. Through partnership with industry, other government agencies and supporting aerospace organizations, the Depot North Island repairs and overhauls aviation systems.

Naval Air Depot, North Island performs depot level repairs and modification on more than 250 aircraft per year. Performing repairs and overhauls on AH-1, CH-53, C-2, E-2, EA-6, F/A-18, S-3, SH/HH/MH-60 and UH/HH-1 aircraft

The Depot's, engineers and artisans conceived, designed and constructed a fixture and repair process that allows for the replacement of the center fuselage section of F/A-18 Hornets, a capability that has helped avoid millions of dollars in aircraft replacement costs while significantly extending the service life of the Navy's primary strike aircraft. The Depot is a leader in repairing and restoring aircraft surfaces and the only naval lab with aircraft tire engineering and laser tire testing capability.

Naval Air Depot North Island has 25 years experience in repair and calibration of Inertial Navigation systems with Field Service teams that deliver aircraft depot repair capabilities directly to squadron sites anytime, worldwide-ashore or afloat, including, overhaul and repair catapult and arresting gear systems on all Pacific Fleet aircraft carriers. Additionally, the Depot manufactures mobile vans in support of deploying Marines and Special Forces units. These vans have more than 150 configurations that include medical, command and control, communications, and storage facilities.

F/A-18 Hornets and Super Hornets, EA-6B Prowlers, E-2 Hawkeyes, S-3 Vikings, H-60 Seahawks, AH-1 Cobras, UH/HH-1 Hueys and CH-53 Sea Stallions of the Navy and Marine Corps undergo maintenance and repair under Naval Air's long-range fleet maintenance strategy, the Integrated Maintenance Concept (IMC). Performed by Depot artisans and squadron personnel at Marine Corps Air Stations Kaneohe Bay, Hawaii, Miramar, Calif., Camp Pendleton, Calif., and Naval Air Stations Whidbey Island, Wash., Fallon, Nev., and North Island, Calif., IMC processes bring to bear a multitude of aviation maintenance disciplines and advanced aviation technologies. For example, Naval Air Depot, North Island is home to the only West Coast tail boom fixture for Cobra and Huey maintenance, alignment and repair.

SECRETARY OF DEFENSE RECOMMENDATION:

DOD is recommending a realignment of the Atlantic and Pacific Naval Air Depot (NADEP) and Intermediate Maintenance Activity (IMA) functions. The recommendation realigns bases by disestablishing Depots and establishing Fleet Readiness Centers (FRC)

with workload realignments. The major personnel reductions from this realignment coming from Cherry Point Marine Corps Air Station, NC (Atlantic Fleet) and North Island, Naval Air Station, Coronado, CA (Pacific Fleet). The Proposal creates six Fleet Readiness Centers (FRCs) with 13 affiliated FRC Sites at satellite locations.

This recommendation realigns and merges some personnel from depot into intermediate maintenance activities with some consolidation of IMA's with a projected reduction of personnel requirements across the naval air rework and repair enterprise.

Geographically the proposal can be viewed as an east (Atlantic Fleet) and west (Pacific Fleet) realignment. This portion of our review concentrated on the west coast realignment and with the NADEP at North Island, Naval Air Station, Coronado, CA.

East Coast proposal

FRC Mid-Atlantic will be located on NAS Oceana, VA, with affiliated FRC Sites at NAS Patuxent River, MD, NAS Norfolk, VA, and JRB New Orleans, LA. FRC East is located at Cherry Point, NC, with affiliated FRC Sites at MCAS Beaufort, SC, and MCAS New River, NC. The existing intermediate level activity associated with HMX-1 at MCB Quantico, VA, will also be affiliated with FRC East. FRC Southeast will be located on NAS Jacksonville, FL and will have an affiliated FRC Site at NAS Mayport, FL.

West Coast Proposal

FRC West will be located on NAS Lemoore, CA, and will have FRC affiliated sites at NAS JRB Fort Worth, TX, and NAS Fallon, NV. FRC Southwest will be located on Naval Station Coronado, CA, and will have affiliated sites at MCAS Miramar, CA, MCAS Pendleton, CA, MCAS Yuma, AZ, and NAS Point Mugu, CA. FRC Northwest will be located on NAS Whidbey, WA, with no affiliated FRC Sites.

In addition to the actions described in this recommendation, there are 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 are 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. Details of this absorption could not be obtained at NADEP Cherry Point.

The attached reorganization chart depicts the west coast realignment proposal.

SECRETARY OF DEFENSE JUSTIFICATION:

This recommendation reduces the number of maintenance levels and proposes a streamlining of the way maintenance is accomplished. It also transforms and blends some Depot and intermediate level maintenance; and positions maintenance activities closer to

fleet concentrations. The recommendation is designed to enhanced effectiveness and efficiency, greater agility, and allows Naval Aviation to achieve the right readiness at the least cost. This transformation of NADEP's to FRC's are projected to produce significant reductions in the total cost of maintenance, repair and overhaul plus the associated Supply system PHS&T (Packaging, Handling, Storage and Transportation) as well as reparable inventory stocking levels as a result of reduced total repair turn-around times, reduced transportation, lower spares inventories, less manpower, and more highly utilized infrastructure.

MAIN FACILITIES REVIEWED:

Naval Air Depot, North Island, San Diego, Ca

KEY ISSUES IDENTIFIED:

The cost of operations (issue 4) and the manpower implications and the extent and timing of potential costs and savings (issue 5) were the two questionable issues identified in our visit.

The cost of operations

The DOD recommendation proposes a transformation and realignment of intermediate and Depot level maintenance facilities into a network of Fleet Readiness Centers (FRC)'s on both coasts. The West Coast sites have been identified as having a reduction of 653 direct and 579 indirect positions as a result of the realignment. The Depot at the North Island location has been identified as having a reduction of 587 positions, 97 from moves and 490 as personnel reductions.

Our review found that of the 587 positions identified as reductions for the Depot at North Island, 71 positions are reductions in military and 97 positions are moves to other locations within the proposed west coast FRC network. It seems that all estimated reductions are based on workload movements that would be apportioned through-out all of the FRC's and their respective sites on the West Coast. Given the workload transfers expected within the west cost FRC sites, we estimate a 368 reduction rather than the 653 estimated in the DOD proposal.

The assumption used in this proposal is that workload transferred to consolidated sites will result in a reduction of workload performed at the North Island Depot location. The reduction would be caused by increased efficiencies at intermediate maintenance sites as a result of the transfer of the 71 Depot level artisans into these facilities. Although this assumption may be valid the transfer of the workload inherently transfers corresponding manpower requirements. If the assumptions hold workload standards would need to be revised in order to actually reduce personnel requirements.

Additionally, the proposal estimates an \$85.7 million dollar major construction cost as a result of the reorganization. Based on discussions with Depot officials, it is not clear if

construction is actually required at the marine air stations identified. For example, the consolidation at Naval Air Station Yuma consolidates Marine Air Logistic Support (MALS) 13 and a Naval Air Depot, North Island detachment into an FRC site at the Marine Air Station, Yuma. The consolidation will also transfer 5 Depot level artisans into the new FRC site. The proposal projects a need for a \$30.3 million dollar in additional facilities to house the new FRC. Depot Officials could not explain the need for a new facility at Yuma. They agreed that the current facilities used by MALS 13 and the detachment should accommodate the proposed consolidation in Yuma.

Officials at North Island could not clarify specific numbers nor explain major constructions costs projected. They agreed that a meeting with officials of the joint service group who calculated the numbers and projected savings for the FRC realignment would be required to clarify any outstanding questions on the proposal.

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

The North Island Depot has made a number of improvements in the quality of work which has allowed the depot to reduce the turnaround time, this at a time of increased workload, given significant extra wear and tear incurred within overseas theaters of operation. Depot officials explained that the reduced turnaround time has resulted in about a 3% to 4% increase in cost of operations due to overtime, contractor workload, and material costs. Additionally, we were told that the standards have not been adjusted for the increased level of repair being performed.

Given the increased cost of operations and the over execution of workload it was surprising to find that North Island Depot currently was 166 positions not filled. In addition, 234 positions are contractor personnel which could be released without penalty to the government. Given that cost savings are calculated across all FRC's the effect of this variance could not be determined from our visit to North Island. However this variance would have the effect of reducing projected savings. We plan to follow-up at the joint service group who calculated the numbers and projected savings for the FRC realignment 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.

INSTALLATION CONCERNS RAISED:

Installation Officials agreed that the effect of the proposed realignment would be minimal given the 8% a year turnover rate and the flexibility of the contractor workforce. They did note that although the projected reductions would be minimal an effort would be required to "right size" the skills required.

COMMUNITY CONCERNS RAISED:

Comments by Base and Depot Officials indicate the San Diego community is not concerned over the proposed realignment to FRC's. This may be due to the assurance that reductions in positions as a result of realignment would be over time and be made with normal attrition of personnel.

REQUESTS FOR STAFF AS A RESULT OF VISIT:

Not at this time.