

**Hawthorne Army Depot, Nevada**

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# **Day & Zimmermann Munitions and Defense**

## **BRAC Commission Review And Analysis**

**Joint Issues Team**

**June 8, 2005**

**by**

**Day & Zimmermann**



## BRAC Recommendation and Justification

- DOD recommended closure of Kansas and Lone Star AAPs due to overcapacity of the industrial base
- Kansas Justification: To reduce redundancy and remove excess from the Industrial Base, the closure allows DoD to create centers of excellence, avoid single point failure, and generate efficiencies.
- Lone Star Justification: To reduce redundancy and remove excess from the Industrial Base, the closure allows the DoD to create centers of excellence, avoid single point failure, and generate efficiencies. Goal is to establish multi-functional sites. Lone Star performs only one of 4 functions.

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Competition is the real answer to rationalize capacity  
Directed capacity ignores the proven benefits of competition

- Over the last few years, successful competition has created more activity at both Kansas and Lone Star.
  
- Competition is the best way to achieve the same reduction of capacity, reduce the cost of ammunition, while maintaining high quality, without the costs associated with closure.
  
- The answer
  - Privatize Kansas and Lone Star in place
  - Continue PEO Ammo's push toward full systems competition
    - Without workloading



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# Lone Star AAP



## BRAC ANALYSIS ERRORS

- The data used to generate the closure of Lone Star is faulty
  - Employment is higher than reported – high enough to deserve a site visit
  - Capability and current utilization was understated
  - No recognition of single source capability that others have been unsuccessful in manufacturing
  - No cost built in to acquire privately owned intellectual property and equipment
  - Assumption of competed work going to the receiving installation may not be true since in a lot of cases the competed work will be won by Canada
    - If work directed, then no benefit of competition will be achieved as currently exists
    - If work goes to Canada, than transfer costs will not be recouped



Lone Star AAP has critical capabilities and intellectual property that will be lost...

- **Much of the intellectual property belongs to Day & Zimmermann**
  - Designs for production equipment, processes, and tooling
  - Process control programs developed for production of detonators, self-destruct fuzes, and other products
  - Patents on critical production equipment: Chamlee Loader (US #3426946), Cargile Scooper (US #3383020), and Cone & Explosive Extractor (pending)
  
- **Lone Star has critical capabilities**
  - Produces, stores, maintains, upgrades, and demilitarizes munitions – *the full scope of activity*
  - Loaded Components (Primers, Detonators, Delays, etc.)
  - FASCAM Gator, Volcano, MOPMS
  - Artillery ICM 105mm, 155mm, MLRS (Grenades)
  - Hand Grenades (HE)
  - M223/M239 fuze production – *relocated to meet M77/M101 grenade production requirements*
  - M53 Delay, M59 Detonator, M67 Hand Grenade, and M223/M239 Fuze Production – *Lone Star sole source items*

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Closing Lone Star AAP is contrary to the interests of full and open competition...

- PEO Ammo's long-term strategy is to move to more, not less, competitive contracting
- By directing workload to Iowa, Milan, McAlester, and Crane, DoD is acting contrary to the strategy
- Shutting down a contractor-operated facility (Lone Star) in favor of government-operated ones (McAlester and Crane) completely ignores the benefits of competitive contracting
- Lone Star's most formidable competitor is SNC of Canada – *a privatized firm*
  - SNC is proficient in mortars, artillery, energetics and grenades
  - SNC is the most likely winner of any subsequent hand grenade competition if Lone Star is closed

Privatization is the most cost effective method to implement DoD's recommendations...

<b>One-Time Costs</b>	<b>Closure (\$k)</b>	<b>Privatization (\$k)</b>
O&M		
Civ Salary	426	426
Civ Moving	142	142
Unemployment	31	31
Other	7,021	1,918
Mil Personnel		
Other	21	21
Other		
Environmental	5,350	0
1-Time Other	15,984	0
<b>Total One-Time Costs</b>	<b>28,975</b>	<b>2,538</b>
<b>Total One-Time Savings w/Privatization</b>		<b>26,437</b>

*With privatization the avoidance of relocating the capabilities results in a one-time savings to DoD of \$26.4M – Also the annual net recurring savings of \$17.3M will remain the same as closure*

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The best outcome is for the Commission to recommend that the Lone Star AAP be privatized-in-place

**Benefits to privatization-in-place include...**

- Reduces the organic base footprint while maintaining capabilities
- Lone Star would be operated at no-cost to the government
- Reduces one-time cost to implement the recommendation by \$26.4M and provides the same net recurring savings as closure of \$17.3M
- Retains competitive forces within the US industrial base without cost of ownership
- Preserves D&Z intellectual property and surge capacity at no cost to the Government
- Retains jobs and on-going business
- Allows the redevelopment of excess real estate





## Capacity Analysis Is Seriously Flawed

- **There is no apparent adjustment in the utilization figures for relative size and complexity of the munition!**
  - A detonator receives the same weight as artillery and cluster bombs.
  - The DoD BRAC report compares 3,000,000 Pyro/Demo detonators (roughly the size and complexity of a watch battery) to 3,112 SFW BLU-108 cluster bombs (thousands of times larger and significantly more sophisticated than a detonator). Unit hours for a SFW BLU-108 are roughly 10 HPU and for a detonator 0.003 HPU.
  - Even when comparing capacities by commodity the relative size and complexity of the munition have been ignored when determining utilization. (SFW BLU-108 = 10 HPU & M105 M915 = 1.5 HPU).
  - The quantities should be weighted by a factor that better represents the relative size and complexity of the production requirements, for example direct labor hours per unit (HPU).
- DoD BRAC report shows current usage higher than current capacity for cluster bombs, an obvious error.
- Numerous items in production at KSAAP have been left off the list altogether.
  - Artillery: 155mm, M795 HE
  - Mortars
  - Warheads
- Items that KSAAP has won for future production are also ignored.
  - Precision Guided Mortar Munition (PGMM)
  - Anti-Personnel Landmine Alternatives (Spider)



## DoD BRAC Economic Impact Figures Are Flawed

- DoD BRAC manpower analysis
  - Direct 167
- Actual manpower at KSAAP (CY2005):
  - Direct 314
- The DoD BRAC manpower analysis does not reflect current business.
  - The labor information appears to have been drawn from a period of layoff due to a stop work order resulting from the failure of the government's furnished materials.
  - Once the stop work order was lifted employment returned to levels above 200.
  - Current contracts will sustain employment levels in the 300 to 500 direct labor range for the future.



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## IJCSG - Munitions/Armaments Capacity Report - Capacity By Site

Site	Function	Category	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
USA	KANSAS ARMY AMMUNITION PLANT					
	MUNITIONS DEMILITARIZATION					
		DEPLETED URANIUM AMMO	57.0	1.0	57.0	55.0 -- 56.0
		HE BOMBS	17.0	0.0	17.0	17.0 -- 17.0
		HE ICM/BU & SUBMUNITIONS	17.0	0.0	17.0	17.0 -- 17.0
		HIGH EXPLOSIVE MUNITIONS	142.0	2.5	142.0	139.5 -- 139.5
		INERT	17.0	1.5	17.0	15.5 -- 15.5
		VO FAMILY	0.0	0.0	17.0	0.0 -- 17.0
		PROPELLENTS	63.0	1.0	63.0	62.0 -- 62.0
		SMALL CAL AMMO/FUZES/MISC	63.0	1.0	63.0	62.0 -- 62.0
		<b>Site Total</b>	<b>376.0</b>	<b>7.0</b>	<b>393.0</b>	<b>369.0 -- 386.0</b>
		<b>Percent of Capacity Not Utilized</b>				<b>98.1% -- 98.2%</b>

Munitions Production	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
<b>No M795</b>				
Artillery	22,560.0	0.0	35,360.0	22,560.0 -- 35,360.0
Cluster Bombs	112.0	116.0	3,112.0	-4.0 -- 2,996.0
Missiles	1,300.0	130.0	1,326.0	1,170.0 -- 1,206.0
Mortar	0.0	0.0	30,000.0	0.0 -- 30,000.0
Pyro/Demo	0.0	0.0	3,000,000.0	0.0 -- 3,000,000.0
Rockets	512,000.0	0.0	512,000.0	512,000.0 -- 512,000.0
<b>Site Total</b>	<b>535,992.0</b>	<b>246.0</b>	<b>3,581,828.0</b>	<b>535,746.0 -- 3,581,582.0</b>
<b>Percent of Capacity Not Utilized</b>				<b>100.0% -- 100.0%</b>
<b>No Mortars</b>				

\* Capacity is measured in class for Armaments Production/Manufacturing and Munition Maintenance functions, short tons for Munition Demilitarization, lbs for Mortars Storage and lbs or metric as applicable for Mortars Production.

Report Date: Thursday, April 21, 2005  
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No Anti-Personnel Landmine Alternatives (Spider)

No warheads listed  
 M72 LAW, SMAW-D,  
 LOS-MP

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## **Privatizing KSAAP Is the Best Solution Within BRAC**

- DoD retains an ongoing munitions manufacturing capability without cost of ownership.
- Precludes millions of dollars from DoD for the cost and schedule impacts through attempts to relocate work.
- Maintains specialized talent in munition production at no cost to the government.
- Reduction of DoD facilities is accomplished.
- DZI owns many of the processes, procedures, controls software and critical equipment used in the production of ammunition products. The cost to acquire or redevelop has not been included in the DoD recommendations. \$\$\$

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## Privatizing KSAAP Is the Best Solution Within BRAC

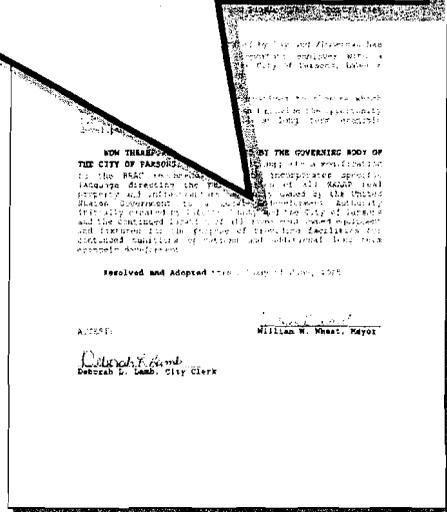
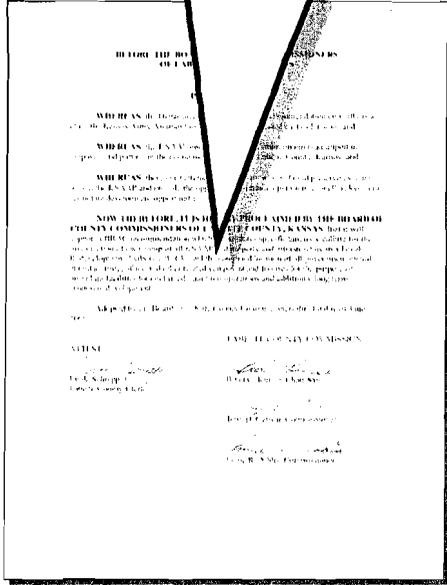
- **Cost Savings Will Result From Privatizing KSAAP**
  - Significant learning curve and production cost increases resulting from attempts to move SFW.
  - Privatization promotes competition with the munitions industry and forces indirect cost reductions at GOCO's (Iowa AAP and Milan AAP)
    - Rand Study recommended privatization.
  - Privatization promotes continuous improvement.

*2000 study that recommended all ammo plants for privatization*

**NOW THEREFORE, IT IS HEREBY PROCLAIMED BY THE BOARD OF COUNTY COMMISSIONERS OF LABETTE COUNTY, KANSAS,** that it will support a BRAC recommendation which incorporates specific language calling for the privatization of ownership of all KSAAP real property and infrastructure in a Local Redevelopment Authority "LRA" and the continued location of all government owned manufacturing, office and other related equipment and fixtures for the purpose of providing facilities for continued munitions operations and additional long term economic development.

**NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF PARSONS, KANSAS** that it supports a modification to the BRAC recommendation which incorporates specific language directing the privatization of all KSAAP real property and infrastructure currently owned by the United States Government to a Local Redevelopment Authority initially created by Labette County and the City of Parsons and the continued location of all government owned equipment and fixtures for the purpose of providing facilities for continued munitions operations and additional long term economic development.

# Community Supports Privatization



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## Desired Outcome

- **Commission recommends that Lone Star and Kansas AAPs be privatized in place through a local redevelopment authority.**
- **Results in privatization of ownership of all real property and infrastructure and the continued location of all government owned manufacturing, office and other related equipment and fixtures in place for the purpose of providing facilities for continued munitions production and additional long-term economic development for the DoD and the Community.**



## Day & Zimmermann Point of Contact

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# ATTACHMENT 1

*Received from DZ1 8 June 2005*

## *IJCSG - Munitions/Armaments Capacity Report - Capacity By Site*

<i>Site</i>	<i>Function</i>	<i>Category</i>	<i>Current Capacity*</i>	<i>Current Usage*</i>	<i>Maximum Capacity*</i>	<i>Capacity in Excess of Current Usage*</i>
<b>USA</b>	<b>KANSAS ARMY AMMUNITION PLANT</b>					
	<b>MUNITIONS DEMILITARIZATION</b>					
		DEPLETED URANIUM AMMO	57.0	1.0	57.0	56.0 -- 56.0
		HE BOMBS	17.0	0.0	17.0	17.0 -- 17.0
		HE ICM/BU & SUBMUNITIONS	17.0	0.0	17.0	17.0 -- 17.0
		HIGH EXPLOSIVE MUNITIONS	142.0	2.5	142.0	139.5 -- 139.5
		INERT	17.0	1.5	17.0	15.5 -- 15.5
		NO FAMILY	0.0	0.0	17.0	0.0 -- 17.0
		PROPELLENTS	63.0	1.0	63.0	62.0 -- 62.0
		SMALL CAL AMMO/FUZES/MISC	63.0	1.0	63.0	62.0 -- 62.0
		<b>Site Total</b>	<b>376.0</b>	<b>7.0</b>	<b>393.0</b>	<b>369.0 -- 386.0</b>
		<b>Percent of Capacity Not Utilized</b>				<b>98.1% -- 98.2%</b>
	<b>Munitions Production</b>					
		Artillery	22,580.0	0.0	35,380.0	22,580.0 -- 35,380.0
		Cluster Bombs	112.0	116.0	3,112.0	-4.0 -- 2,996.0
		Missiles	1,300.0	130.0	1,336.0	1,170.0 -- 1,206.0
		Mortar	0.0	0.0	30,000.0	0.0 -- 30,000.0
		Pyro/Demo	0.0	0.0	3,000,000.0	0.0 -- 3,000,000.0
		Rockets	512,000.0	0.0	512,000.0	512,000.0 -- 512,000.0
		<b>Site Total</b>	<b>535,992.0</b>	<b>246.0</b>	<b>3,581,828.0</b>	<b>535,746.0 -- 3,581,582.0</b>
		<b>Percent of Capacity Not Utilized</b>				<b>100.0% -- 100.0%</b>

\* Capacity is measured in dlh(k) for Armaments Production/Manufacturing and Munitions Maintenance functions; short tons for Munitions Demilitarization; ksf for Munitions Storage; and lbs or each(s) as applicable for Munitions Production.

## *IJCSG - Munitions/Armaments Capacity Report - Capacity By Site*

<i>Site</i>	<i>Function</i>	<i>Category</i>	<i>Current Capacity*</i>	<i>Current Usage*</i>	<i>Maximum Capacity*</i>	<i>Capacity in Excess of Current Usage*</i>
<b>USA</b>	<b>KANSAS ARMY AMMUNITION PLANT</b>					
	<b>MUNITIONS STORAGE</b>					
		EXPLOSIVE ABOVE GROUND	255.6	155.5	255.6	100.1 -- 100.1
		Explosive Earth Covered	3.6	3.0	3.6	0.6 -- 0.6
		OTHER EXPLOSIVE STORAGE	979.3	737.4	979.3	241.9 -- 241.9
		<b>Site Total</b>	<b>1,238.5</b>	<b>895.9</b>	<b>1,238.5</b>	<b>342.6 -- 342.6</b>
		<b>Percent of Capacity Not Utilized</b>				<b>27.7% -- 27.7%</b>

\* Capacity is measured in dlh(k) for Armaments Production/Manufacturing and Munitions Maintenance functions; short tons for Munitions Demilitarization; ksf for Munitions Storage; and lbs or each(s) as applicable for Munitions Production.

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## Attachment 1

### DoD BRAC KSAAP Munitions/Armaments Capacity Report - Capacity by Site

	What Is This	Current Capacity	Current Usage	Maximum Capacity	Capacity in Excess of Current Usage	
Artillery	155mm, M795 & 105mm	22,580	-	35,380	22,580	35,380
Cluster Bombs	SFW (Expressed in terms of BLU-108s)	112	116	3,112	(4)	2,996
Missiles	BLU-108's for JSOW	1,300	130	1,336	1,170	1,206
Mortar	60mm, 81mm, 120mm	-	-	30,000	-	30,000
Pyro/Demo 0	Detonators (Line Inactive & Requires Major Facilitization)	-	-	3,000,000	-	3,000,000
Rockets	Grenades & MLRS	512,000	-	512,000	512,000	512,000
<b>Total</b>		<b>535,992</b>	<b>246</b>	<b>3,581,828</b>	<b>535,746</b>	<b>3,581,582</b>
Percent of Capacity Not Utilized					100.0%	100.0%

**KSAAP - Revised Analysis**

**Attachment 1**

**Munitions/Armaments Capacity Report - Capacity by Site**

Corrected for Unit Quantities

	What Is This	Current Capacity	Current Usage	Maximum Capacity	Capacity in Excess of Current Usage	
Artillery	155mm, M795	12,800	10,000	12,800	2,800	2,800
Artillery	105mm	12,800		12,800		
Cluster Bombs	SFW (Expressed in terms of BLU-108s)	600	280	600	320	320
Missiles	BLU-108's for JSOW	1,300	130	1,300	1,170	1,170
Mortar	60mm	12,000	10,000	20,000	2,000	10,000
Mortar	81mm	10,000		10,000		
Mortar	120mm	8,000		8,200		
Pyro/Demo 0	Detonators (Line Inactive & Requires Major Facilitization)	-	-	-	-	-
Rockets	Grenades & MLRS	512,000	-	512,000	512,000	512,000
<b>Total</b>		<b>569,500</b>	<b>20,410</b>	<b>577,700</b>	<b>518,290</b>	<b>526,290</b>

**Percent of Capacity Not Utilized**

**91.0% 91.1%**

**Capacity Measured as Weighted Quantities (weighted by hours per unit)**

	What Is This	Current Capacity	Current Usage	Maximum Capacity	Capacity in Excess of Current Usage	
Artillery	155mm, M795	7,680	6,000	7,680	1,680	1,680
Artillery	105mm	4,992	-	4,992		
Cluster Bombs	SFW (Expressed in terms of BLU-108s)	6,000	2,800	6,000	3,200	3,200
Missiles	BLU-108's for JSOW	10,400	1,040	10,400	9,360	9,360
Mortar	60mm	2,088	1,740	3,480	348	1,740
Mortar	81mm	3,790	-	3,790		
Mortar	120mm	3,360	-	3,444		
Pyro/Demo 0	Detonators (Line Inactive & Requires Major Facilitization)	-	-	-	-	-
Rockets	Grenades & MLRS	9,956	-	9,956	9,956	9,956
<b>Total</b>		<b>48,266</b>	<b>11,580</b>	<b>49,742</b>	<b>24,544</b>	<b>25,936</b>

**Percent of Capacity Not Utilized**

**50.9% 52.1%**

# **ATTACHMENT 2**

**Munitions Production Capacity by Munitions Commodity Family**

**Question:** Fill in the table below:

1) For columns "End Items" and "Components", please indicate with a "Y" (yes) or "N" (no) which you have capacity. (NOTE: If you have both "end item" and "component" enter the data for the end-item only.)

2) For "Current Capacity" columns, enter the current capacity amount in the appropriate column ("EA" (each) or "lbs" (pounds/month)). Current capacity is the expected monthly output from utilization of ALL ACTIVE lines or workstations running ONE shift (40 hours) under current operating conditions on a concurrent basis.

3) For "Current Usage" columns, enter the current usage amount in the appropriate column ("EA" (each) or "lbs" (pounds/month)). Current usage is the expected monthly output from that portion of the current capacity that is actually in use or on contract.

4) For "Maximum Capacity" columns, enter the current capacity amount in the appropriate column ("EA" (each) or "lbs" (pounds/month)). Using current capacity as a baseline, maximum capacity is the total monthly output attainable running ONE shift (40 hours), with full utilization of ALL LINES or workstations, active and inactive, on a concurrent basis. Maximum capacity INCLUDES hiring skilled labor and reactivation of inactive lines, but EXCLUDES facility expansion).

**Amplification: QUESTION/INSTRUCTIONS:**

This question is to be answered by government-owned, government operated (GOGO) and government-owned, contractor-operated (GOCO) facilities performing the following activities: munitions and/or armaments production; depot level munitions storage; depots and short-term storage; depot level munitions and/or armaments maintenance; munitions and/or armaments demilitarization and repair at traditional depot- and intermediate-levels as defined below.

Please fill in the following table(s)

Commodity Family	End Item (Yes/No)	Component (Yes/No)	Current Capacity (EA)	Current Capacity (lbs)	Current Usage (EA)	Current Usage (lbs)	Maximum Capacity (EA)	Maximum Capacity (lbs)
60mm Mortar	Y	Y	12,000	0	10,000	0	12,000	0
81mm Mortar	Y	Y	10,000	0	0	0	10,000	0
120mm Mortar	Y	Y	8,000	0	0	0	8,200	0
105mm HE Artillery	Y	N	12,800	0	0	0	12,800	0
105mm Artillery (Other)	0	0	0	0	0	0	0	0
155mm HE Artillery	Y	N	12,800	0	10,000	0	12,800	0
155mm ICM Artillery	Y	N	12,800	0	12	0	12,800	0
155mm Artillery (Other)	0	0	0	0	0	0	0	0
MLRS Artillery	N	Y	512,000	0	0	0	512,000	0
Detonators/Delays/Relays	N	Y	1,028,000	0	0	0	1,028,000	0
Tomahawk Missile	N	Y	12	0	0	0	12	0
Shoulder-Launched Multipurpose Assault Weapon	N	Y	1250	0	0	0	2500	0
SFW/CBU-97/CBU105	Y	Y	60	0	28	0	60	0
CBU-87	Y	Y	1,500	0	0	0	01,500	0
BLU-108	Y	Y	200	0	520	0	200	0

155mm ICM ARTILLERY/M864 Currently Producing M864 Rounds to be utilized in the testing of the M42/M46 Grenades with the Self-Destruct Fuzes.  
 MLRS Artillery: M77 Grenade/Component  
 DETONATORS: MSS  
 TOMAHAWK MISSILE: Payload Module Assembly/Component

**KSAAP - Significant Production Contracts**

**Attachment 2**

Item	Customer	Contract Number	Prime Contract Number	Item Produced	Quantity	Converted to Monthly DoD Definitions	Start Date	Finish Date
1	Textron Systems Corporation	28027	F08626-96-C-0001	SFW (FRP 1)	529	441	2/6/1997	1/23/1998
2	Textron Systems Corporation	75969	F08626-97-C-0003	SFW (FRP 2)	585	488	1/21/1998	3/19/1999
3	Textron Systems Corporation	L473PO114359	F08626-98-C-0002	SFW (FRP 3)	556	463	6/14/1999	1/14/2000
4	Textron Systems Corporation	L473PO143311	F08626-99-C-0008	SFW (FRP 4)	304	253	2/15/2000	12/31/2000
5	Textron Systems Corporation	L473PO175170	F08635-00-C-0009	SFW (FRP 5)	304	253	2/8/2001	3/29/2002
6	Textron Systems Corporation	L473PO210361	F08635-01-C-0005	SFW (FRP 6)	301	251	1/2/2002	12/31/2002
7	Textron Systems Corporation	L473PO232752	F08635-01-C-0005	SFW (FRP 7)	301	251	1/10/2003	1/16/2004
8	Textron Systems Corporation	PO246800	F08635-03-C-0022	SFW (FRP 8)	350	292	12/23/2004	2/18/2005
9	Textron Systems Corporation	PO246800	FA8677-04-C-0071	SFW (FRP 9)	320	267	1/3/2005	Open
10	US Army ARDEC	(Additional Options pending)	DAAE30-03-C-1166	LAP 155mm, HE M795 Projectiles	111,015	10,000	9/30/2003	3/30/2006
11	US Army ARDEC		DAAE30-02-1004	60mm Mortars	373,358	10,000	11/15/2001	Open

# **ATTACHMENT 3**

## *IJCSG - Munitions/Armaments Capacity Report - Capacity By Site*

<i>Site</i>	<i>Function</i>	<i>Category</i>	<i>Current Capacity*</i>	<i>Current Usage*</i>	<i>Maximum Capacity*</i>	<i>Capacity in Excess of Current Usage*</i>
<b>USA</b>	<b>MILAN AAP</b>					
	<b>Munitions Production</b>					
	Artillery		28,520.0	7,715.0	28,520.0	20,805.0 -- 20,805.0
	Medium Cal		853,251.0	316,658.0	853,251.0	536,593.0 -- 536,593.0
	Mines		0.0	0.0	10,200.0	0.0 -- 10,200.0
	Missiles		43.0	5.0	43.0	38.0 -- 38.0
	Mortar		93,831.0	0.0	93,831.0	93,831.0 -- 93,831.0
	Pyro/Demo		142,390.0	62.0	142,390.0	142,328.0 -- 142,328.0
	Tank		32,240.0	0.0	32,240.0	32,240.0 -- 32,240.0
	<b>Site Total</b>		<b>1,150,275.0</b>	<b>324,440.0</b>	<b>1,160,475.0</b>	<b>825,835.0 -- 836,035.0</b>
	<b>Percent of Capacity Not Utilized</b>					<b>71.8% -- 72.0%</b>
	<b>MUNITIONS STORAGE</b>					
	EXPLOSIVE ABOVE GROUND		181.6	120.4	181.6	61.2 -- 61.2
	Explosive Earth Covered		53.3	11.7	53.3	41.6 -- 41.6
	OTHER EXPLOSIVE STORAGE		3,023.2	697.8	3,023.2	2,325.4 -- 2,325.4
	<b>Site Total</b>		<b>3,258.1</b>	<b>829.9</b>	<b>3,258.1</b>	<b>2,428.2 -- 2,428.2</b>
	<b>Percent of Capacity Not Utilized</b>					<b>74.5% -- 74.5%</b>

\* Capacity is measured in dlh(k) for Armaments Production/Manufacturing and Munitions Maintenance functions; short tons for Munitions Demilitarization; ksf for Munitions Storage; and lbs or each(s) as applicable for Munitions Production.

# Attachment 1

## KSAAP - Revised Analysis Munitions/Armaments Capacity Report - Capacity by Site Corrected for Unit Quantities

	What Is This	Current Capacity	Current Usage	Maximum Capacity	Capacity in Excess of Current Usage	
Artillery	155mm, M795	12,800	10,000	12,800	2,800	2,800
Artillery	105mm	12,800		12,800		
Cluster Bombs	SFW (Expressed in terms of BLU-108s)	600	280	600	320	320
Missiles	BLU-108's for JSOW	1,300	130	1,300	1,170	1,170
Mortar	60mm	12,000	10,000	20,000	2,000	10,000
Mortar	81mm	10,000		10,000		
Mortar	120mm	8,000		8,200		
Pyro/Demo 0	Detonators (Line Inactive & Requires Major Facilitization)	-	-	-	-	-
Rockets	Grenades & MLRS	512,000	-	512,000	512,000	512,000
<b>Total</b>		<b>569,500</b>	<b>20,410</b>	<b>577,700</b>	<b>518,290</b>	<b>526,290</b>
<b>Percent of Capacity Not Utilized</b>					<b>91.0%</b>	<b>91.1%</b>

### Capacity Measured as Weighted Quantities (weighted by hours per unit)

	What Is This	Current Capacity	Current Usage	Maximum Capacity	Capacity in Excess of Current Usage	
Artillery	155mm, M795	7,680	6,000	7,680	1,680	1,680
Artillery	105mm	4,992	-	4,992		
Cluster Bombs	SFW (Expressed in terms of BLU-108s)	6,000	2,800	6,000	3,200	3,200
Missiles	BLU-108's for JSOW	10,400	1,040	10,400	9,360	9,360
Mortar	60mm	2,088	1,740	3,480	348	1,740
Mortar	81mm	3,790	-	3,790		
Mortar	120mm	3,360	-	3,444		
Pyro/Demo 0	Detonators (Line Inactive & Requires Major Facilitization)	-	-	-	-	-
Rockets	Grenades & MLRS	9,956	-	9,956	9,956	9,956
<b>Total</b>		<b>48,266</b>	<b>11,580</b>	<b>49,742</b>	<b>24,544</b>	<b>25,936</b>
<b>Percent of Capacity Not Utilized</b>					<b>50.9%</b>	<b>52.1%</b>



**Day & Zimmermann**

We do what we say.™

June 6<sup>th</sup>, 2005

To Whom It May Concern:

Re: "It's all a bad dream – 2005 BRAC"

The enclosed briefing materials and data on the Hawthorne Army Depot activities, as it relates to the BRAC Commission recommendations to close the depot is provided for informational purposes only (not for public release).

Mineral County BRAC Committee  
Mineral County Chamber of Commerce  
Day & Zimmermann Hawthorne Corporation

2 South Maine Avenue, Hawthorne, NV 89415 · (775) 945-7658 · (775) 945-  
7659 FAX

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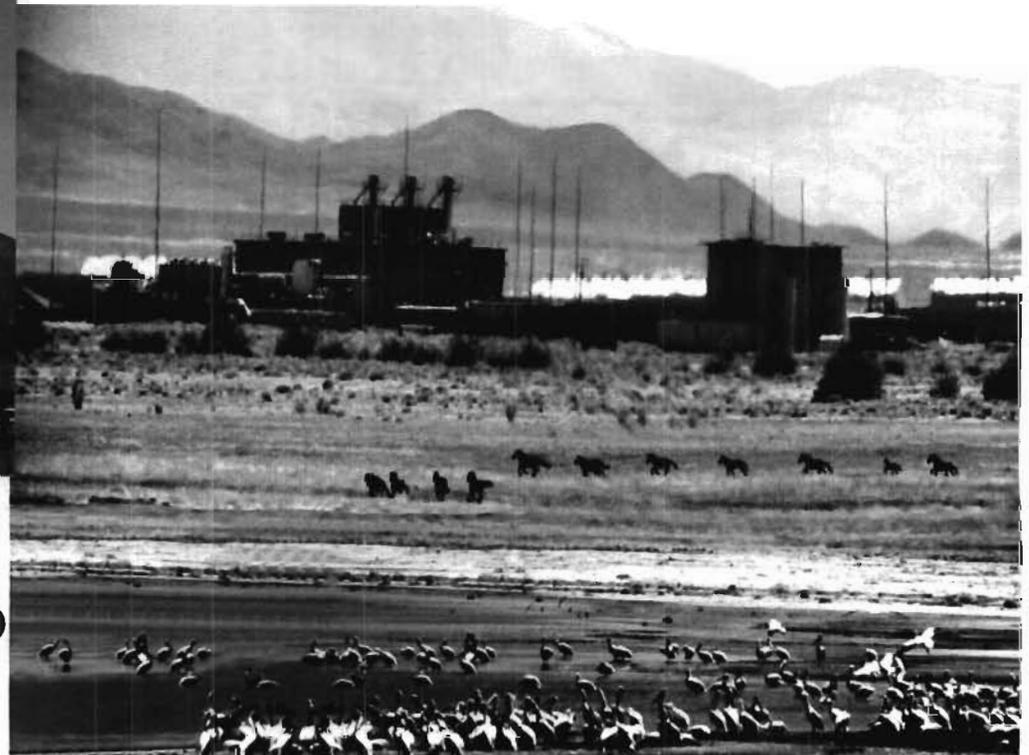
## **Data Packages**

1. Short Briefing – Hawthorne AD
2. Long Briefing – Hawthorne AD Site Visit
3. BRAC Fact Sheet
4. White Paper BRAC
5. BRAC – Section 6: Recommendation
6. BRAC – Annex 1: Capability Results
7. Hawthorne AD – Attributes and Value Analysis – Army Ranking
8. Hawthorne AD – Employee Totals Reported
9. Questions/Concerns
10. BRAC Commission Visit Request – Lt. Col. Summers
11. Update for the Global Demil Symposium
12. State of Nevada..Resolution Opposing the BRAC Report
13. General Information





# Hawthorne Army Depot Hawthorne, Nevada



**Mineral County, NV Economic Development  
NMAC (Nevada Military Advocate Commission)  
Hawthorne Chamber of Commerce  
Operating Engineers – Local 3  
Day & Zimmermann Hawthorne Corporation**



# CLOSE HAWTHORNE AD

## DATA INTEGRITY

- BRAC says that the effect on personnel of closing HWAD is 74 Military, 45 Civilians, 80 Contractors – THIS IS INCORRECT – ACTUAL 539
- BRAC says the cost to close is 180 Million dollars. ACTUAL costs are closer to 1 BILLION
- BRAC says is the HWAD capabilities & functions will be transferred to Tooele Army Depot – Tooele doesn't have the storage space, including adding Deseret. or demil facilities
- BRAC says HWAD does not maintain or produce munitions. This is UNTRUE. HWAD routinely renovates munitions & has many laid away facilities that were used in manufacturing of munitions
- BRAC says HWAD cannot off-load & receive because of unusable rail conditions – This is UNTRUE. Three short washouts in 25 years have not effected any movements
- BRAC says that Hawthorne AD is not multi-functional – this is INCORRECT. HWAD is VERY multi-functional and also highly joint in its customer base.



# MILITARY VALUE

- ▶ The Army ranked HWAD 2<sup>nd</sup> highest out of 23
- ▶ HWAD is the largest ammunition storage depot in the system
- ▶ HWAD has the best demilitarization program in the organic and commercial bases
- ▶ HWAD offers multi-service training, testing, storage munitions maintenance & demil facilities & a **HIGHLY SKILLED WORKFORCE**
- ▶ HWAD has **NO** encroachment or environmental issues



# Storage Analysis

Given changes over last 3 years

- Current Capacity - 25M Sqft
- Current Usage - 18M Sqft
- BRAC Recommended – 17M Sqft
  - Intent to reduce inventory by half
- Retrograde from Pacific, SWA, Europe
  - Will need 27M Sqft – Demil efforts

**DOES NOT WORK**



# Logic Check

Given changes over last 3 years

- Why are they closing the 2<sup>nd</sup> highest ranked Depot?
- Closing largest and consolidating into several smaller depots, duplicating indirect functions at each smaller facility.

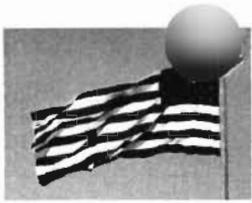
Versus

- Consolidating smaller into larger and having single indirect functions and
  - extra space to deal with returning overseas munitions
  - secure inside storage
  - multi-functional joint training capabilities

Hawthorne has the capability to handle it all



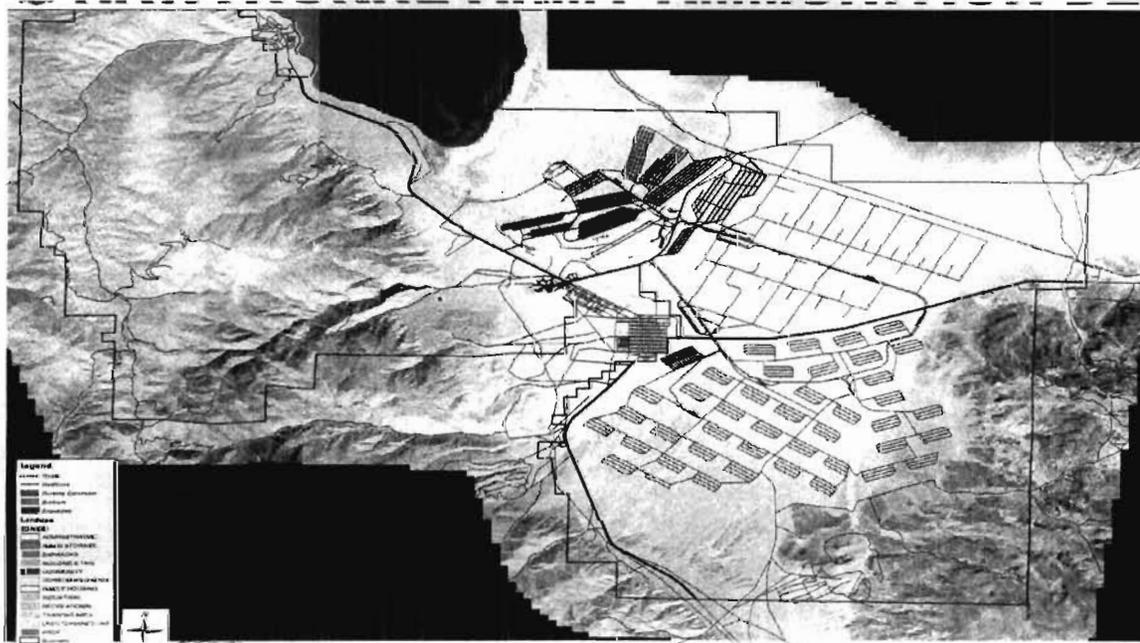
# The Story



## Table of Contents

### ➤ Military Value

- Current & Future Mission Capabilities
- Availability & Condition of Land
- Ability to Accommodate Additional Missions
- Cost of Operations & Manpower Implications



### ➤ Other Considerations

- Timing & Potential Cost Savings
- Economic Impact on Community
- Infrastructure Support of Receiving Communities
- Environmental Impact & Remediation Costs

### ➤ Bottom Line



## HWAD Military Value

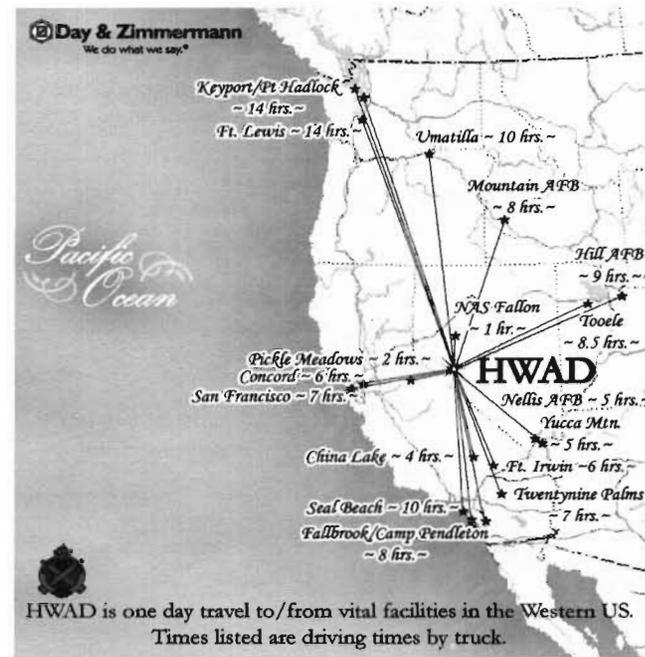
### Current & Future Mission Capabilities

#### The BRAC Commission Recommendation:

Close Hawthorne Army Depot. Relocate Storage and Demilitarization functions to Tooele Army Depot. BRAC documentation indicates that there is ample munitions storage available in numerous CONUS locations.

#### Storage:

- Since the study was conducted in 2003 a storage crisis has developed. In the next two to three years the Army is going to bring back 500k / 600k tons of munitions from Pacific rim, Europe, and Southwest Asia (SWA). This will require 5 to 6 million square feet of storage space.
- According to the Department of the Army ( BRAC 2005 Analyses and Recommendations) HWAD ranks 31 out of 97 in the total military value to support current and future and Army requirements. Tooele is ranked number 42.
- Currently there is eight million square feet of storage space available in the depot system . Four million square feet of that total is located at Hawthorne. The HWAD assets (218K ton), will require an additional 2 to 3 million square feet of storage space when they are relocated from HWAD. This does not include the 130K tons of demil munitions at HWAD.
- HWAD explosive and inert storage capacity – 600,000 tons
- Tooele explosive and inert storage capacity – 192,000 tons
- The BRAC report indicated the available storage is located at several installations of which, some of them listed for potential closure. Most are manufacturing sites and not storage facilities.



**Current & Future Mission Capabilities**

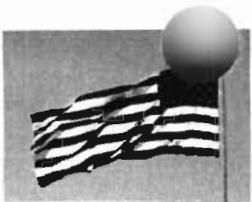
- 3 state-of-the-art container pads for stuffing and unstuffing MILVANs and commercial containers
- 6 loading (cross docks) with rail and truck access
- Access – Rail, Truck (east, south, north), and Air (6,000 ft new runway)
- MILVAN Container Repair Facility
- 2,400 above ground earth covered magazines and storehouse buildings
  - 10 million square feet inside and outside storage
  - 8 million square feet of explosive storage (600K tons)
  - 52% full (5/05); 320,000 tons in storage

HWAD has a track record of meeting surge and mobilization requirements – We have never failed to meet a requirement yet (100% on-time shipping record).

**Homeland Security:** HWAD has secured inside storage (locked magazines) to support Homeland Security efforts to keep explosive safe from potential terrorists.



**March 2005 HWAD Stuffed Containers with 3,300 tons of K180 Mines in 10 Days**

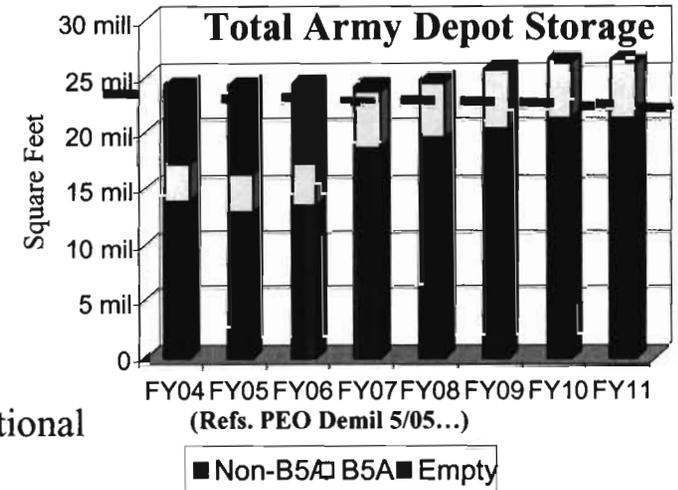


## Current & Future Mission Capabilities

### Demilitarization:

Demil of obsolete US munitions systems is at a crisis state. Army's PEO Demil states that there is a growing backlog of obsolete munitions and insufficient funding to reduce the demil backlog.

- HWAD has the largest, most diverse, and environmentally compliant conventional Demil capability in the depot system.
  - Breakdown/Explosive Sawing
  - Wash-out / Melt-out-Explosive Removal
  - Rotary Furnace
  - Plasma Ordnance Demilitarization System
  - Hot Gas Decontamination
  - Range Scrap and Target Processing System
  - OB/OD
- Tooele capabilities
  - Rotary Furnace
  - OB/OD
- To establish the equivalent HWAD demil capability at Tooele which would require funding projected in the amount of nearly \$157 million for construction. Funding must be addressed for environmental permitted processes, which could require up to ten years, and/or may be impossible.

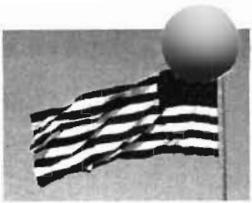


### In-Process Future Capabilities

- MLRS/CEM Decasing
- BEDS (Bulk Explosive Incinerator)
- Slurry Gel Manufacturing
- Static Rocket Firing-Containment Chamber
- Laser Cutting
- Vehicle Reduction System



**Organic Demilitarization Performed: 2002 – 8,070 tons / 2003 – 5,913 tons / 2004 – 5,526 tons demil projected 2005 – 6500 tons/2006 – 8,000 tons..these tonnages do not include commercial demil performed at the Depot..**



### Current & Future Mission Capabilities

**Range Scrap Processing:** HWAD provides joint services management for the processing of explosive contaminated range scrap from the Navy Test Ranges in the Western United States. HWAD provides decontamination and processing support for the Corp of Engineers as abandoned and closed ranges are cleaned-up.



**Navy Munitions Single Logistics:** HWAD is strategically located for Joint Services Requirement of single management conventional ammunition. The Navy is preparing to use HWAD as their site (approximately 200k tons of munitions) to serve their West Coast Ports surge and mobilization requirements. HWAD is the only depot which can provide overnight delivery to the West Coast Ports.

**DLA Mercury:** The DLA is ready to move all of the Strategic Stockpile of Mercury (approximately 4890 tons) to HWAD for long term storage. HWAD was selected over all other Depots including Tooele.

**Munitions and Weapons Testing and Evaluation:** HWAD supports Marine Corp Ammunition and Weapons testing. This service provides the Marine Corp and the Army with a dedicated testing range facility for ammunition items and weapon systems that are used for issue.

**Naval Undersea Warfare Center (NUWS): Detachment:** HWAD provides support services and munitions logistics for the NUWS to process torpedoes, mines and battery renovation and recycling.

**Industrial Plant Equipment Storage:** HWAD has 13,000 tons of Industrial Plant Equipment in storage.

**Private Sector Training:** SOC (private training company for Personal Security Detachments, etc.) is leasing sections of the installation for their training activity.

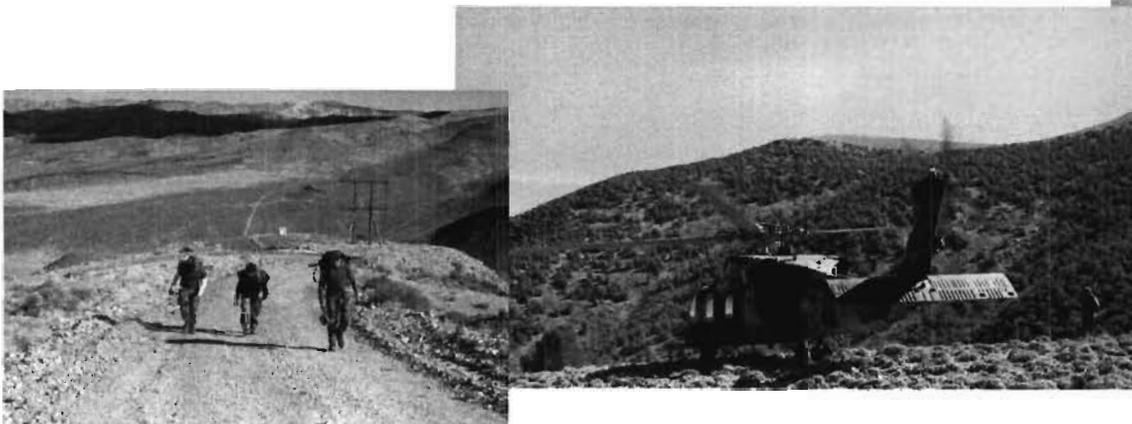


**80% of the Training Munitions Dropped by the Navy and Air Force are within 150 miles of HWAD**

## Current & Future Mission Capabilities

### Special Operations Training:

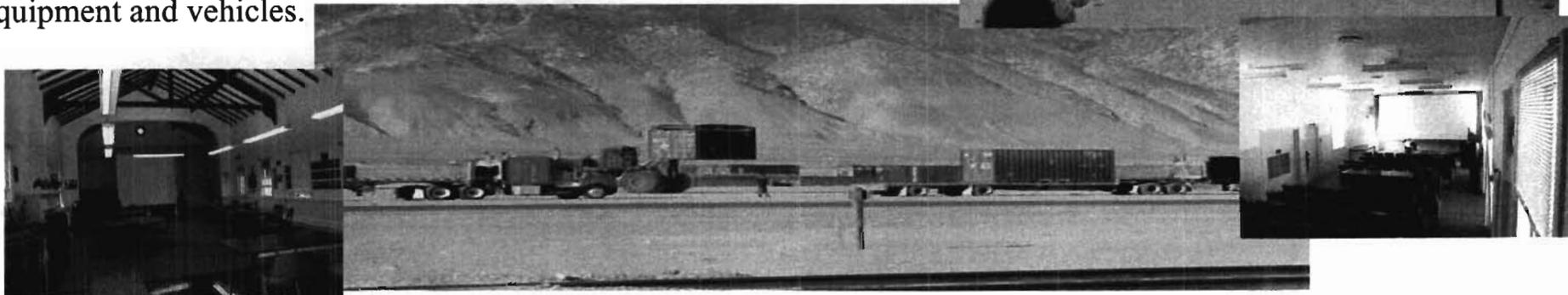
- Navy SEALs are using HWAD for sea, air, and land pre-deployment training all of which can be accomplished within a ten mile radius located on the HWAD installation. There has been a rotating contingent of SEAL Teams continuously using HWAD for the last two years..since January 2005 over 1900 Sailors and Marines have trained at HWAD..
- USMC is using HWAD for High Desert and Mountain Warfare Training. We have regular rotating contingents from USMC Mountain Warfare Training Center utilizing HWAD firing ranges (unable to perform live fire practice at their facility). In the Spring 2005 there were 1,053 Marines at HWAD for pre-deployment training.
  - Marine Sniper Teams are using HWAD because we have the only “High Angle” firing range in the United States.
- Army Rangers have used the facility for Special Operations training due to high altitude desert terrain.



**HWAD Terrain is Identical to the Mid Eastern War Zones**

## Availability and Condition of Land

- 230 square miles – operations areas approximately 140 square miles
- Land and air space is used extensively for joint military training, industrial and test operations.
- No encroachment – The town of Hawthorne is situated such that it possess no threat of encroachment to HWAD. The next closest town is Fallon 70 miles to the north
- Surrounding HWAD is BLM Land or Forest Service property – no threat of encroachment from residential or commercial development
- Unrestricted (in conjunction with depot operations) air space for fixed and rotary wing for training and test operations.
- Land is available for expansion contiguous to the installation.
  - Currently under negotiations with the BLM for 129,000 acres to expand training and testing capabilities for joint services.
- Land is available (with Explosive buffer zones) to build additional magazine storage..2,000 additional magazines can be constructed
- Land is available for the outside storage of wheeled and tracked vehicles and equipment.
  - Facilities are available for the maintenance or decommissioning of equipment and vehicles.



**HWAD Terrain is Identical to the Mid Eastern War Zones**

**Ability to Accommodate Additional Missions**

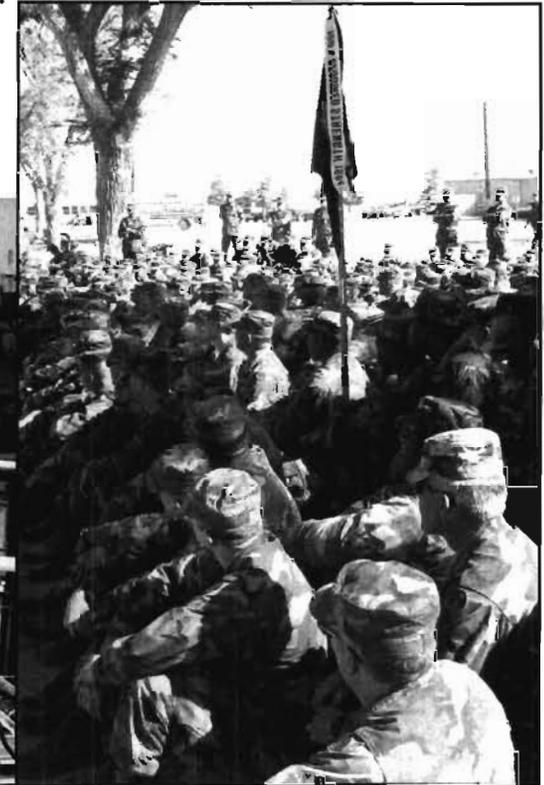
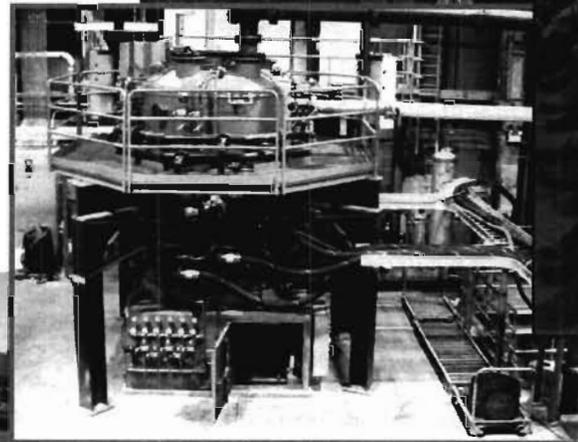
**Hawthorne AD (HWAD)**

- **Space for Joint Services Use**
  - Ample space to accommodate training, especially large field exercises
  - Air / Land / Sea joint mechanized forces training (off road)
- **Land Available from BLM** – Three sides of the depot
- **Demilitarization expansion** – Room for more facilities
- **Encroachment** – Absolutely no threat



**Tooele AD (TEAD)**

- **Surge** – Limited by storage capability
- **Encroachment** – Threatened by residential and commercial development from Tooele and Salt Lake metropolitan area.



**HWAD Terrain is Identical to the Mid Eastern War Zones**

## Cost of Operations and Manpower Implications

The Hawthorne AD is large and complex, most overheads are fixed. Expanded missions – do not generally effect cost; in fact additional work will off set overheads.

Operating the large HWAD demilitarization facilities (WADF) with multi-functional and cross-trained personnel is an efficient means of cost control and provides a stable workforce in that during non surge periods personnel are utilized to accomplish other projects and missions.

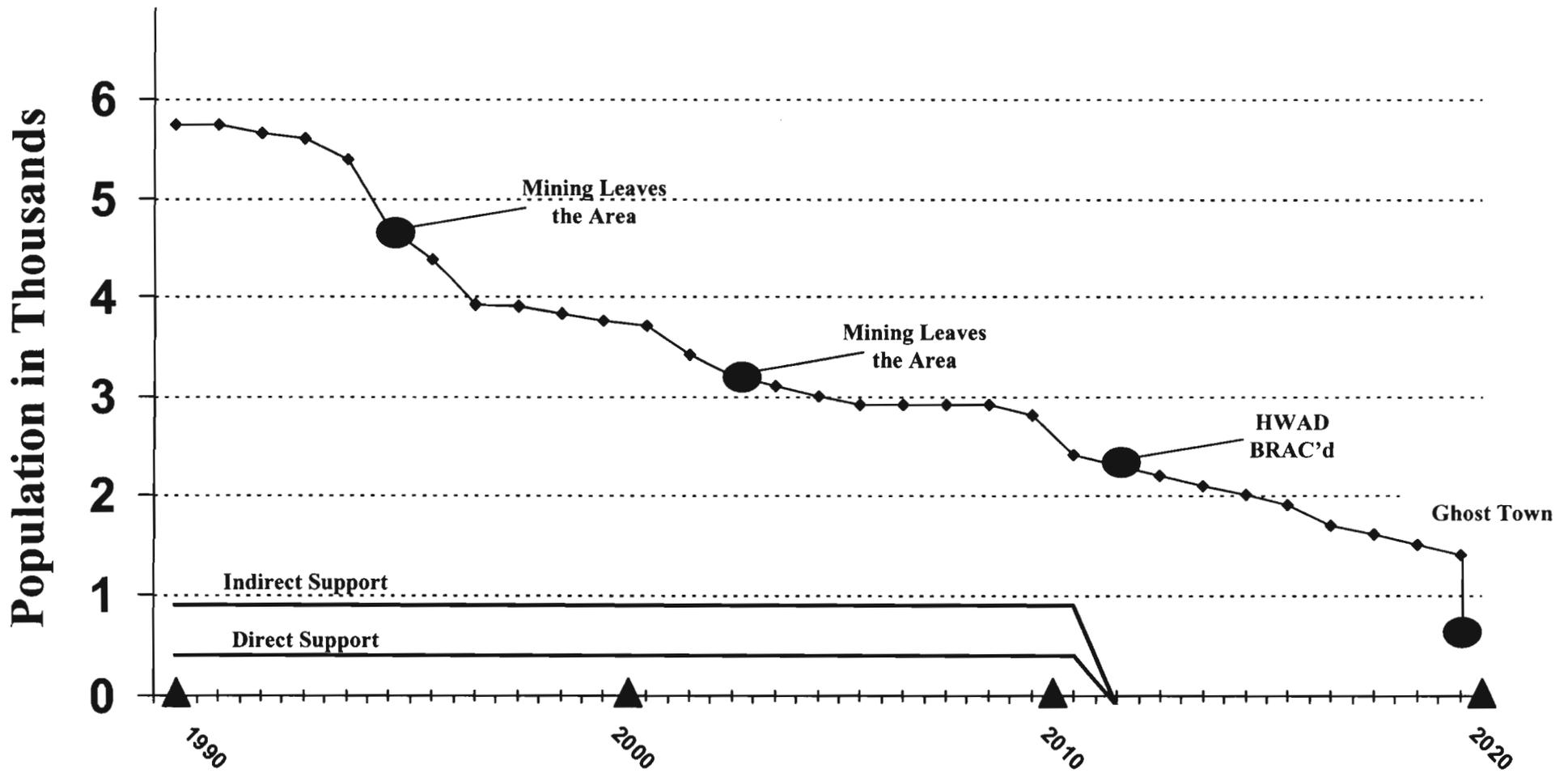
Functions performed at HWAD would have to be performed at other installations, at a much higher cost, and much less efficient cost structure:

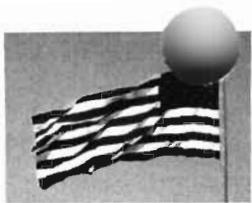
- Demilitarization – 6,000 tons per year
- Issue – 18,000 tons per year (five year average)
- Receipts – 8,000 tons per year (five year average)



**HWAD has the Best Cost / Performance Ratio in the Depot System**

# OTHER CONSIDERATIONS





Other Considerations

Timing & Potential Cost Savings

BRAC Position:

One time cost - \$180.27 million. During implementation a savings of \$59.22 million. Annual recurring savings after completion of \$73.42 million with immediate payback.

Projected Costs:

Analysis:

\$580.7 million

Relocation of 218,000 tons of munitions, inert material, and equipment to a new location (\$39m shipping, \$20.4m transportation, \$21.3m receipt). One thousand magazines at Tooele will total \$500 million.

\$151 million

BRAC did not include the Demilitarization of 130,000 tons of munitions stored at HWAD. If this tonnage is not demiled at HWAD then it must be shipped to another demil or storage site.

\$157 million

BRAC did not include the duplication of WADF capabilities at Tooele or other depots \$157 million.. Environmental permitting will require 5 to 7 years. Tooele will not be able to qualify for the environmental permits without being considered as a major source of pollution.

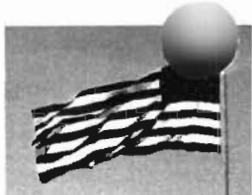
\$ 10 million

BRAC did not include the relocation of Navy Torpedo and Mine Maintenance Detachment and Battery Recycling, and the Marine Corp Weapons Test Detachment (\$5 million to \$15 million), if facilities are available.

\$383 million

BRAC did not include the COE estimate for environmental remediation in the closing cost of the depot.

BRAC Projected Cost - \$180 million / HWAD Projected Cost \$843 million



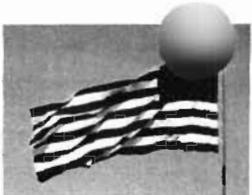
### Economic Impact to the Community

#### BRAC Position:

Potential reduction of 326 jobs over period 2006-2011. Less than .1% of economic area employment (measured against Reno-Sparks, Nevada).

Point	BRAC (2003)	Actual: (2005)	Analysis
Military Personnel	74	1	Incorrect Data – Only the Commander is active military. The 73 were temporary reserves stationed at HWAD during heightened security.
Civilian Personnel	45	45	Correct Data
Contractor Personnel	80	493	Incorrect Data; a total of 448 contractors was reported to the ASIP IMA Southwest in 2003..no one knows where the 80 figure comes from..
<b>Totals</b>	<b>199</b>	<b>539</b>	<b>Incorrect data..the 2003 IMA report showed a total 567; since 2003 HWAD lost the Reserves and added more contractors for security...</b>
Employment Displacement	0.1%	30% - Direct 50% - Mineral County Direct and Indirect	Incorporated the Mineral County displacement figures into the employment data for the Reno/Sparks metropolitan area (243,270 employment) – 133 miles away. Current Mineral County employment is 1,860. Closing the depot could devastate Hawthorne, Nevada. As primary employer in Hawthorne significant economic redevelopment will be required. Annual Payroll - \$16.6 million; Subcontracts & Purchases 10/2004 to 3/2005 - \$5.9 million (\$5.3 million (89%) to small business, women owned, disadvantaged, veteran owned, etc.). 4% of the workforce is Native American.

**HWAD Payroll Over \$16 Million Annually; Losing 835 Jobs of the 1860 Jobs in Mineral County..**



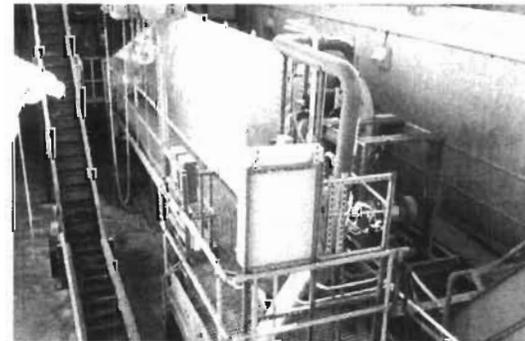
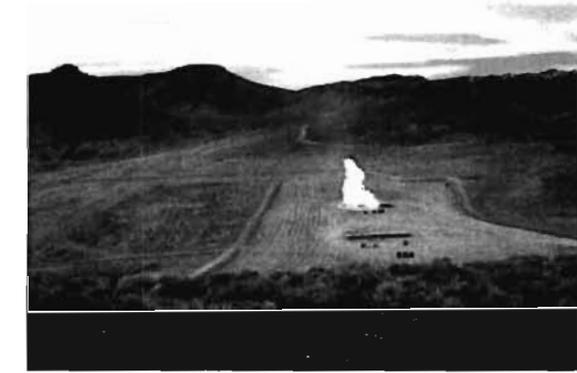
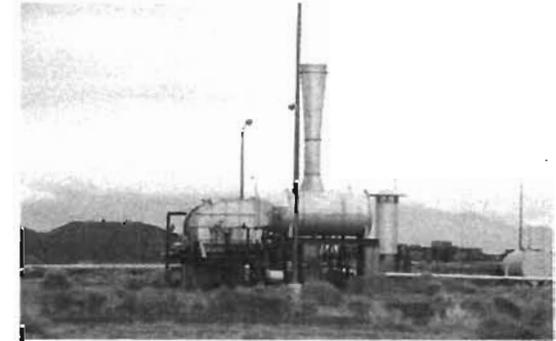
### Infrastructure and Support of Receiving Community

#### BRAC Position:

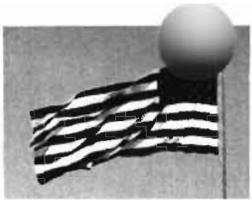
No implications or issues.

#### Tooele Impact – Recreate Mission at Tooele:

- Tooele has one Title Five Air Quality permit. HWAD has two Air Quality permits which allow up to 250 tons of Nitrogen Oxide (NOX) (DF2 burning) under each permit. The emission of similar levels of NOX will place Tooele into a major source of pollution category. Tooele will be required to modify their environmental permits which will be time consuming (5-7 years), expensive, and may present regulatory obstacles which may be insurmountable.
- Due to public pressure Tooele has not been successful in their attempts to construct an incinerator, on two different occasions.
- Tooele has a limited amount of storage space available (current munitions stored outside). This will require building magazines \$750k to \$1 million per magazine. To receive 200,000 tons of munitions will require the construction of approximately 1000 magazines - \$500 million.



**Tooele Has Neither the Space nor the Environmental Capacity to Absorb HWAD Functions**



## **Environmental Impact and Remediation Costs**

### **BRAC Position:**

BRAC cost of closure did not include environmental remediation because remediation is required whether the depot is closed or not. BRAC agrees that the estimated cost of environmental remediation sufficient to effect a change in land use to public domain is \$383 million.

### **Actual Impact To The Community:**

Less than 2% of the land in Mineral County is privately owned, which adversely impacts the Mineral County tax base. In order for Mineral County to survive the BRAC of HWAD remediation is critical for reutilization and redevelopment of the government owned land and facilities at HWAD .

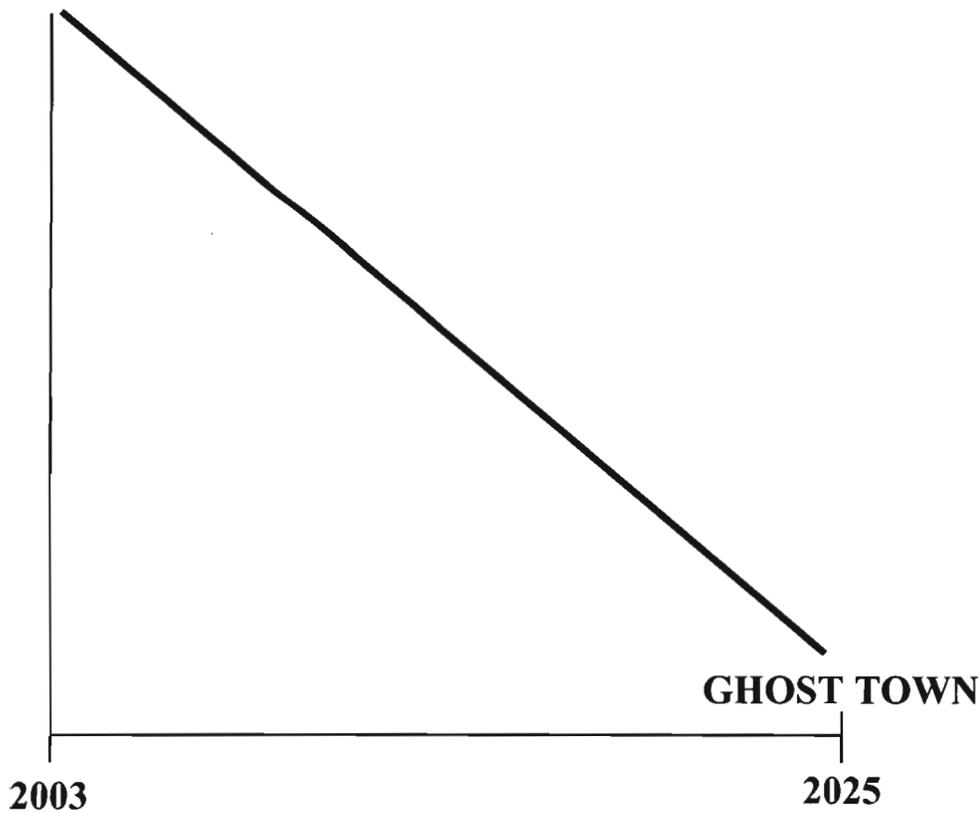
Environmental clean-up is estimated to be by COE at \$383 million. It has not been calculated by BRAC into the closing costs or the payback for closure of the installation.

Environmental costs for the permit process at Tooele have not been adequately considered by the BRAC Commission. According to highly placed governmental sources in Utah the problems and challenges to modify a Minor Source to a Major Source Title V Air Permit may be insurmountable.

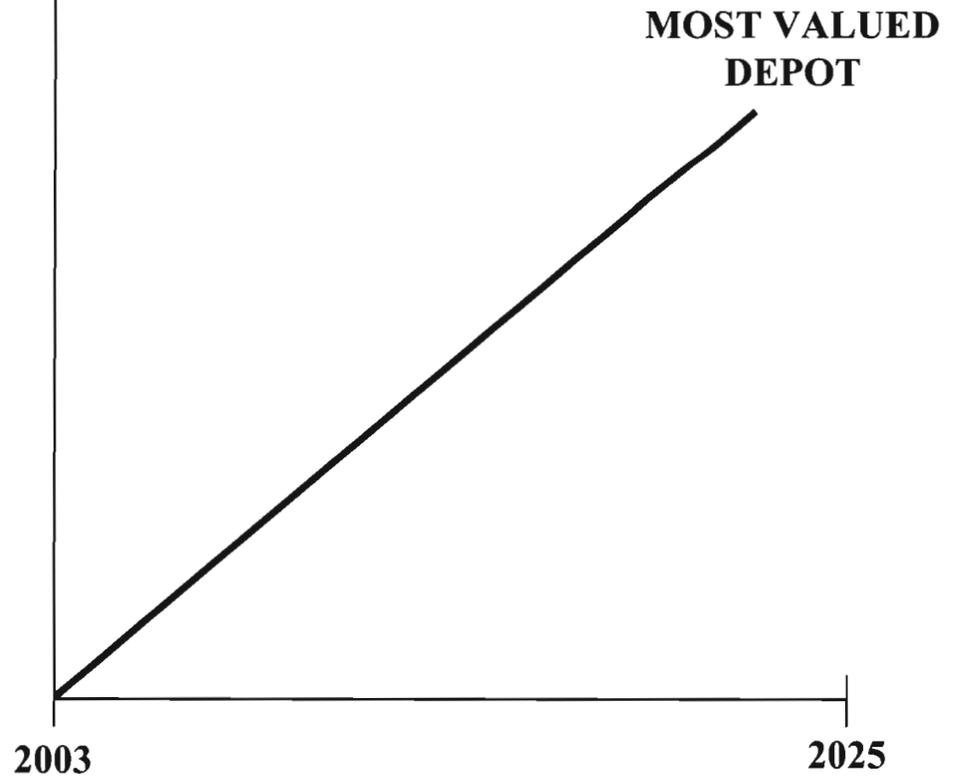
**Projected Cost to Close HWAD - \$383 million / BRAC – not incorporated**

# BOTTOM LINE

## BRAC



## NO BRAC



## Bottom Line

- **HWAD** with its high military value should be removed from the BRAC list and let it help DOD achieve its training, storage & distribution and demil mission in the future.

- To support DOD training HWADs diverse (desert, mountain, urban & water) training facilities are ideal for the look and feel of Iraq, Afghan, Iran etc.

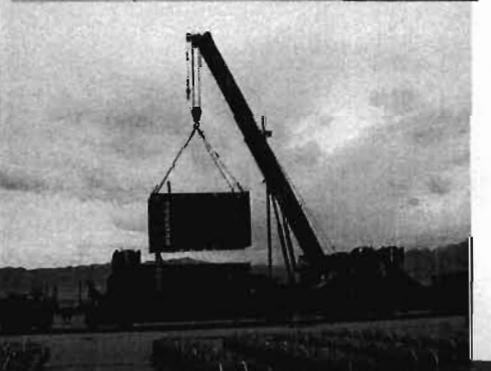
- With no space available for WRAS-K (Korea) and SWA (Southwest Asia) retrograde munitions & equipment HWAD has space available (300,000 tons of munitions and unlimited open storage). HWAD is strategically located to support all services surge, mobilization and training activities in the west.

- HWAD has state-of-the-art (unique) environmentally friendly demilitarization facilities needed now (440K tons worldwide) and in the future.

- Loss of 539 direct jobs will seriously impact a community of 3500.

- Without the storage space of Hawthorne the U.S. will be paying foreign workers to continue to store munitions in Europe and the Pacific. There will be insufficient storage space in the U.S. to return the munitions.

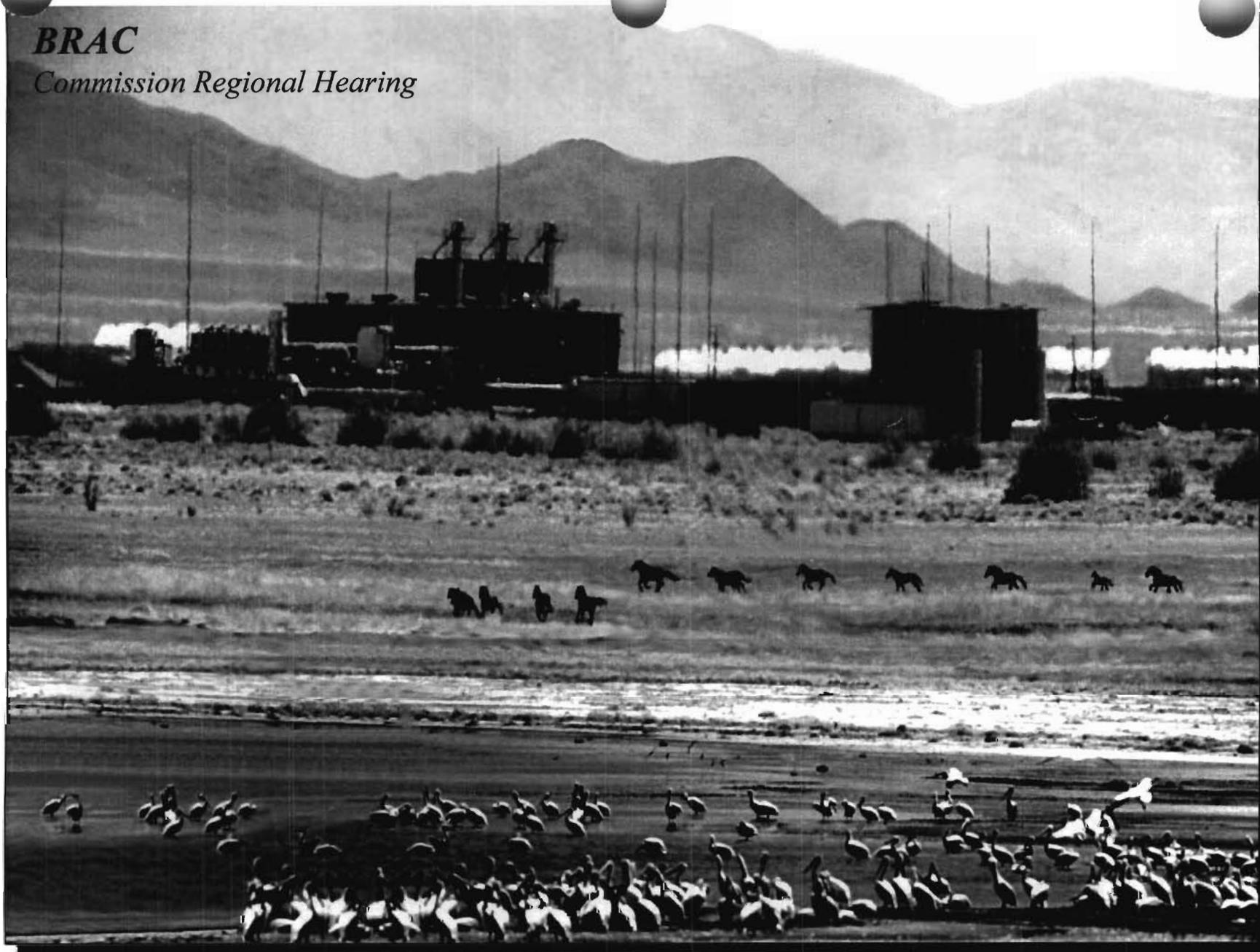
- HWAD deserves a Fair Analysis.





*BRAC*

*Commission Regional Hearing*



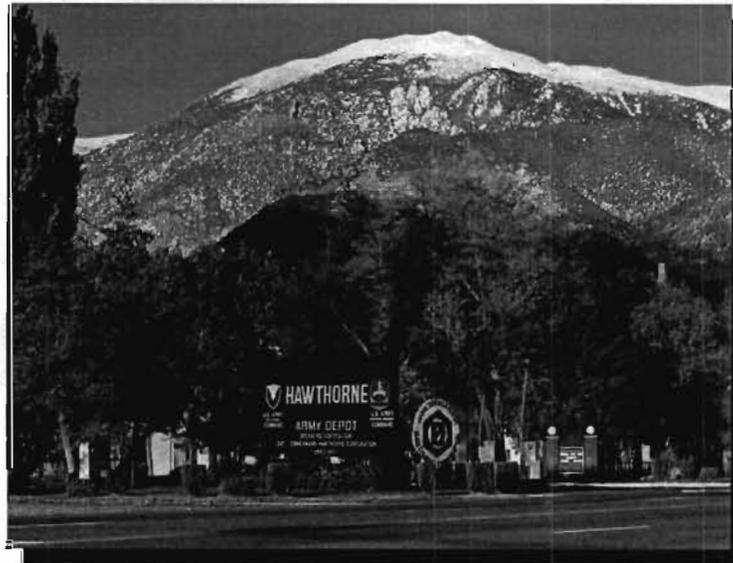
**HAWTHORNE ARMY DEPOT**

# **BRAC**

## *Commission Regional Hearing*

### **TOPICS**

- ❖ **Where is the Hawthorne Army Depot?**
- ❖ **Should HWAD be closed under 2005 BRAC Action?**
- ❖ **Final Selection Criteria**
  - ◆ Military Value
  - ◆ Other Considerations
  - ◆ Summary
- ❖ **Bottom Line**



*Hawthorne Army Depot (HWAD)*

### **FAST FACTS - HWAD**

*Admired by its Customers*

*The Joint Military Services rely on HWAD*

*West Coast Multi-Service Support Center*

*146,000 Acres*

*2,400 Magazines with 8 Million SQFT Storage Capacity*

*539 Employees with UNIQUE Skills*

*75 Years of History*

*Government Owned – Contractor Operated for past 25 YEARS*

*Strategic Location to Support West Coast Naval Installations*

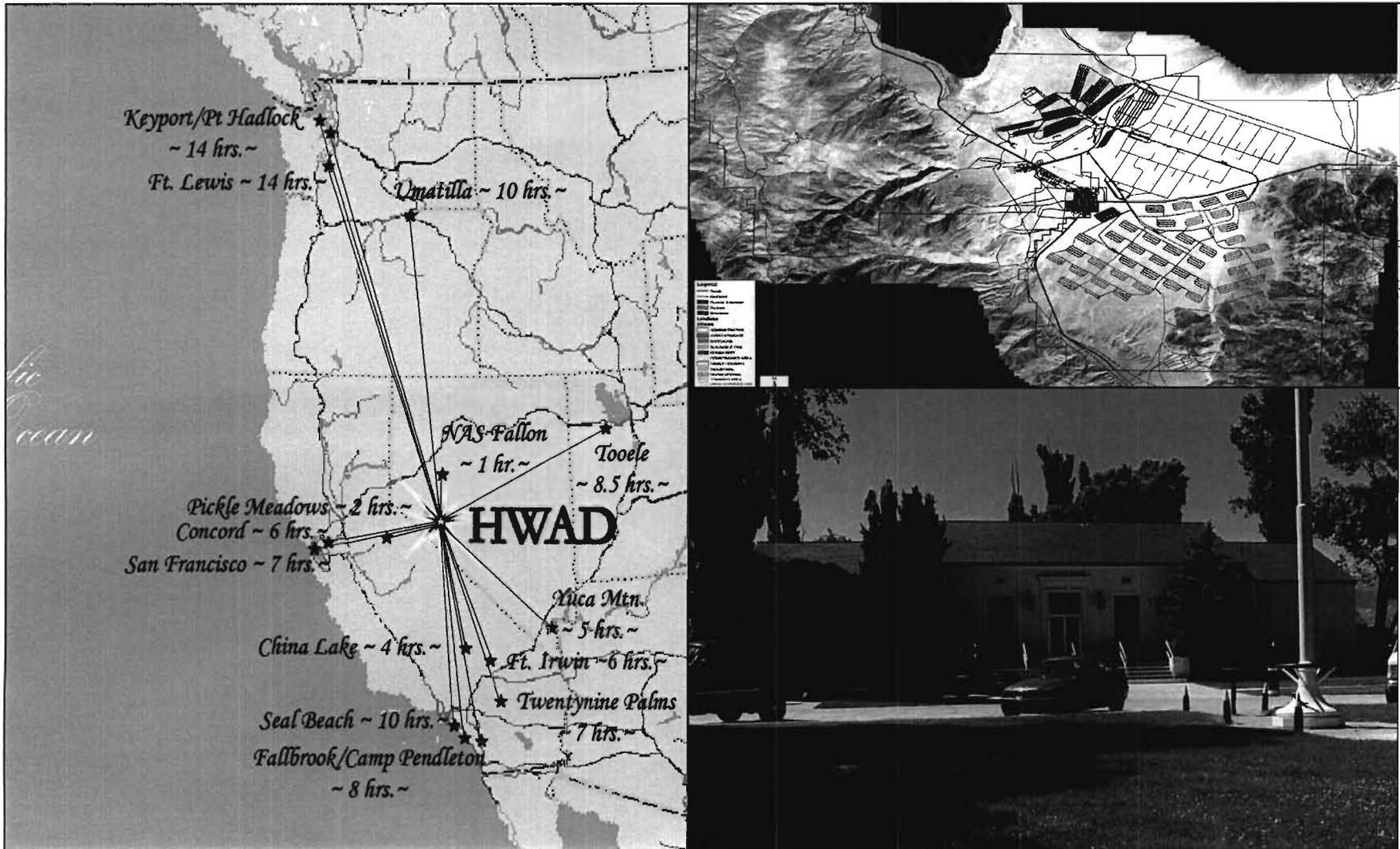
*Western Area Demil Facility*

*No NOV's; GREAT Safety Record*

*70 Miles from Nearest Community (Fallon, Nevada)*

*Low Cost Area – Mineral County Nevada*

**Where is the Hawthorne Army Depot (HWAD)?  
(Government Owned – Contractor Operated)**



***Hawthorne Army Depot (HWAD)***

# CLOSE HAWTHORNE AD

## DATA INTEGRITY

BRAC says that the effect on personnel of closing HWAD is 74 Military, 45 Civilians, 80 Contractors – THIS IS INCORRECT

BRAC says the cost to close is 180 Million dollars. ACTUAL costs are closer to 1 BILLION

BRAC says is the HWAD capabilities & functions will be transferred to Tooele Army Depot – Tooele doesn't have the storage space or demil facilities

BRAC says HWAD does not maintain or produce munitions. This is UNTRUE.

HWAD routinely renovates munitions & has many laid away facilities that were used in manufacturing of munitions

BRAC says HWAD cannot off-load & receive because of unusable rail conditions – This is UNTRUE. Three short washouts in 25 years have not effected any movements

BRAC says that Hawthorne AD is not multi-functional – this is INCORRECT. HWAD is VERY multi-functional and also highly joint in its customer base. If anything HWAD is severely UNDERUTILIZED

# BRAC

Commission Regional Hearing

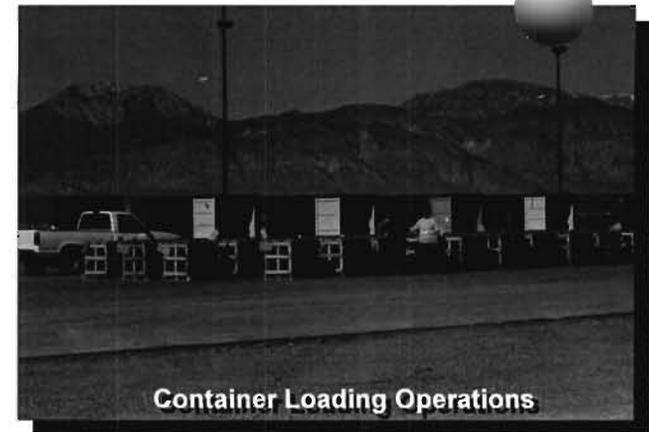
## Should The Hawthorne Army Depot Be Closed Under BRAC Action?

### KEEP OPEN

- ❖ High Army - Military Value
- ❖ Multi-Function Depot & Training Mission
- ❖ Storage Climate - No Munitions or Equipment Deterioration
- ❖ 8 Million SQFT of Inside Storage with Current Capacity
- ❖ No Encroachment from Private Sector - Quantity Distance (QD) Friendly – Could DOUBLE the Capacity in the Future
- ❖ Close Proximity to Customers on the West Coast and in the Pacific
- ❖ Provides Economic Stability to Rural Nevada
- ❖ Low Cost Economic Provider – with Munitions & Explosive Skills for Storage, Demilitarization, Renovation & Production of Munitions

### CLOSING STRATEGY

- ❖ Reduce the DOD “Foot Print” (146,000 Acres & 3,000 Buildings)
- ❖ Government Owned - Contractor Operated (GOCO)
- ❖ No Community Economic Impact (Only 500+ Employees)
- ❖ If we BRAC the Depot, then the Army can obtain BRAC funds for the relocation and demilitarization of Obsolete Munitions in lieu of Operation Maintenance Army Funds
- ❖ HWAD was a Tier II depot until 2003 when the Tier System went by the wayside



Container Loading Operations



Loading Dock – Rail Accessible



Inside Storage of Munitions

←MILITARY VALUE→

**ARMY RATED HWAD 31 OUT OF 97 INSTALLATIONS**

*Hawthorne Army Depot (HWAD)*

# MILITARY VALUE

The Army ranked HWAD higher than three Tier I depots – Crane AD, Tooele AD, & Blue Grass AD

HWAD is the largest ammunition storage depot in the system

Best demilitarization program in the organic and commercial bases

HWAD offers multi-service training, testing, storage munitions maintenance & demil facilities & a **HIGHLY SKILLED WORKFORCE**

No encroachment or environmental issues

**FINAL SELECTION CRITERIA OVERVIEW**

**MILITARY VALUE**

<u>MISSION</u>	→	<u>CURRENT</u>	+	<u>FUTURE</u>	=	<u>OUTCOME</u>
<b>STORAGE &amp; DISTRIBUTION</b>		<ul style="list-style-type: none"> <li>• Surge/Mobilization with 3 Loading/Off-Loading Pads &amp; 6 Loading Docks to Accommodate Containerization, Railcars &amp; Truck Shipments for Joint Service Warfighters</li> <li>• 146,000 Acres – Over 8 Million Square Feet of Explosive &amp; Inert Munitions Items &amp; Equipment Storage</li> <li>• 60 Years Old but the Storage Sites are Concrete Reinforced – <b><u>GREAT CONDITION</u></b></li> <li>• Strategically located to the Pacific Fleet &amp; West Coast Training Ranges</li> </ul>		<ul style="list-style-type: none"> <li>• Storage of West Coast Naval Surge Assets (100-200K Tons)</li> <li>• Reduction of Under Utilized Land</li> <li>• Long Term Storage of Mercury for DLA</li> <li>• Storage of Global BRAC Assets</li> <li>• Storage of BRAC Assets from Sierra (46,000 Tons)</li> <li>• Storage of WRSA-K (Korean) &amp; SWA (Southwest Asia) Retrograde</li> </ul>		<ul style="list-style-type: none"> <li>• Smaller “Foot-Print” with a 98% Occupancy Rate by 2007 at HWAD</li> </ul>



Aerial View of HWAD



Inside Storage of Munitions



Container Loading Operations

**MILITARY VALUE**

<u>MISSION</u>	→	<u>CURRENT</u>	+	<u>FUTURE</u>	=	<u>OUTCOME</u>
<b>STORAGE &amp; DISTRIBUTION</b> <i>(Continued)</i>		<ul style="list-style-type: none"> <li>Multi-Certified Skilled Munitions Workforce (487 Contractor Employees)</li> <li>MILVAN Repair Facilities for Repair Capabilities of 840 Container Repairs per Week (3-8-7)</li> <li>Railroad Access @ FRA Class II Standards</li> <li>100% On-Time Shipping During Normal Daily &amp; Surges Activities</li> <li>Intrusion Detection System for CAT I &amp; II in 320 Sites</li> </ul>		<ul style="list-style-type: none"> <li>CAM Overflow work for training &amp; Surge at Tooele AD</li> <li>Container Readiness – On Hand, Ready to Ship</li> <li>The new AIT &amp; LMP Supply Chain Management Systems – 2006</li> <li>Outdoor Storage Availability for Vehicles &amp; Inert Items</li> <li>Improved Intrusion Detection System - 2005</li> </ul>		<ul style="list-style-type: none"> <li>MOB/Surge Capabilities of 4,500 tons per day @ day 30 for Joint Services Support</li> <li>With new Supply Chain Management System in place we will get faster, cheaper with MRO Processing (both in and out) and inventory</li> <li>With Increased Homeland Security Requirements – HWAD is Low Security Risk for Munitions</li> </ul>



**MILITARY VALUE**



MISSION → CURRENT + FUTURE = OUTCOME

**STORAGE  
&  
DISTRIBUTION**  
*(Continued)*

- The Local airport, adjacent to HWAD, expanded its capabilities in 2004 to include the expansion of the runways, thus air shipment capabilities are available.
- NAS Fallon lies within 70 Miles of HWAD to accommodate Air Shipments for the NAVY & AIR FORCE
- RD&T – Robotic Security System
- RD&T Advanced Robotic Security System – 2005-06
- Surge & Emerging Shipment by air can be made from Hawthorne for ALL services



***Hawthorne Army Depot (HWAD)***

**MILITARY VALUE**

**MISSION** → **CURRENT** + **FUTURE** = **OUTCOME**

**MUNITIONS  
DEMILITARIZATION**

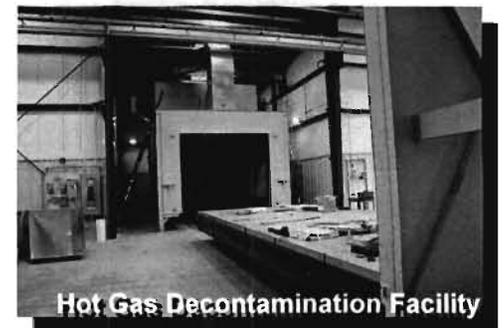
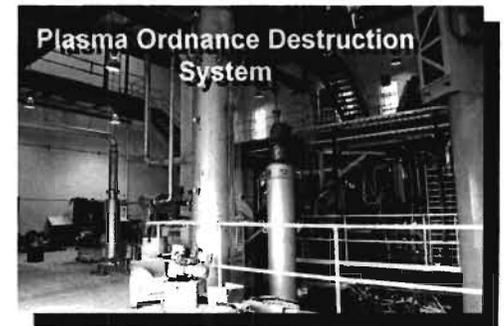
- Facilities for breakdown, explosive sawing, pull apart, cut-out, melt-out & washout of Bombs, Propellants, ICM's Rocket Motors, Mines, Mortars, HE Projectiles, etc.
- Contaminated Munitions Metals Processing
- Current Conventional Demilitarization Capacity 40,000 Tons per year
- Training, Range Scrap and Target Processing with a capacity of up to 36,000 tons per year

BEDS – An Explosive Slurry Incinerator – Capable of disposing of propellants, and HE – Online 2006

MAC Certified Flashing Furnace - Capable of disposal processing of Small Arms, Fuzes, Primers, & Propellants - Online 2006

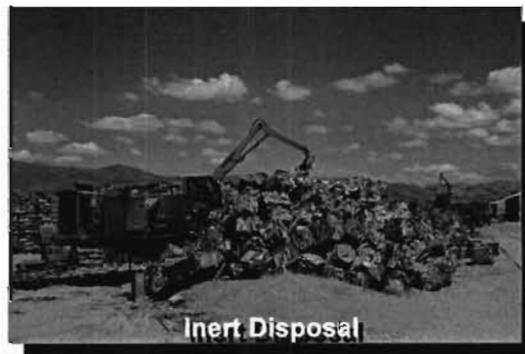
Plasma Ordnance Destruction System – Capable of disposal processing of Pyro's, Dyes, Smoke, and possibly hyrosate from Chemical Weapons – Online Late 2005

Environmentally Safe, Full Service Munitions Demilitarization Facility – Capabilities include ALL MIDAS munitions group items including MLRS, Military Range Scrap and Targets Vehicles



**MILITARY VALUE**

<u>MISSION</u>	→	<u>CURRENT</u>	+	<u>FUTURE</u>	=	<u>OUTCOME</u>
<b>MUNITIONS DEMILITARIZATION</b> <i>(Continued)</i>		<ul style="list-style-type: none"><li>• Environmentally Permitted for open burning &amp; open detonation (OB/OD)</li><li>• Training, Range Scrap &amp; Target Disposal (Shredder, Decontamination Chambers, etc.)</li><li>• Contractor Operated Property Disposal Office</li><li>• Battery Recycling Facility</li></ul>		<ul style="list-style-type: none"><li>• MLRS &amp; CEM Download System</li><li>• Cryo-Fracture Facility</li><li>• Explosive Slurry Gel Manufacturing Facility</li><li>• Disposal of Used Vehicles &amp; Targets</li></ul>		<ul style="list-style-type: none"><li>• Low Cost Disposal of Obsolete Items</li></ul>



**MILITARY VALUE**



MISSION → CURRENT + FUTURE = OUTCOME

**AMMUNITION PRODUCTION**

**Load  
Assemble  
&  
Pack**

- HWAD has Performed Many Load, Assembly & Pack (LAP) Projects in the Past. They have manufactured Cast Shape Charges, LAP'ed FMU-139 A/B Fuzes, Fueled AQM Target Drones, Loaded HE Bombs & Fuel Air Explosives

Good site for future Small Arms Manufacturing Facility (Infrastructure & Storage Exists)

Load, Assembly & Pack Projects (LAP) are on an "As Required" basis – most facilities can be modified to meet future LAP operation Requirements

**MILITARY VALUE**

<u><b>MISSION</b></u>	→	<u><b>CURRENT</b></u>	+	<u><b>FUTURE</b></u>	=	<u><b>OUTCOME</b></u>
<b>AMMUNITION PRODUCTION Load Assemble &amp; Pack (Continued)</b>		<ul style="list-style-type: none"><li>• Certified Chemical Analysis Laboratory</li><li>• ISO 9001-2000 Certified</li><li>• Waste Water Treatment Facility Available for the treatment of Explosive Contaminated Water</li><li>• Incinerators Available to process propellants &amp; rejects</li><li>• Storage Availability for Component Parts &amp; Finished Products</li></ul>		Load Cement Filled Bombs at HWAD to reduce transportation costs from McAlester AAP to training ranges in the West (Nellis AFB, NAS Fallon)		Production & Storage at the Same Location



**MILITARY VALUE**

MISSION → CURRENT + FUTURE = OUTCOME

**AMMUNITION  
RENOVATION  
&  
MAINTENANCE**

•Capable of renovation, maintenance & conversion of various explosive & inert items such as MILIC's, 105MM, 155MM, Mortar, Prop Charges Bombs, Small Arms, Grenades, Various Containers – MOST NSN's

•Most facilities still exist

Most facilities will meet future needs to renovate and maintain a variety of munitions

Unlimited renovation, maintenance, rework, & conversion of most munitions items & components



## MILITARY VALUE

MISSION → CURRENT + FUTURE = OUTCOME

### TRAINING

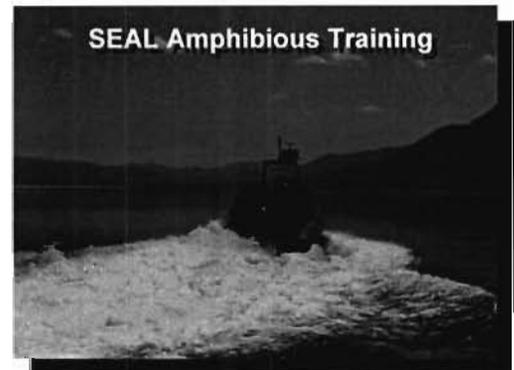
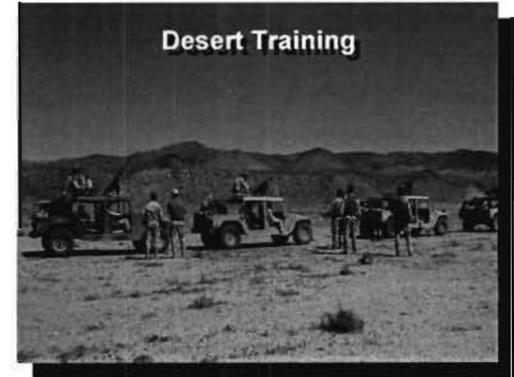
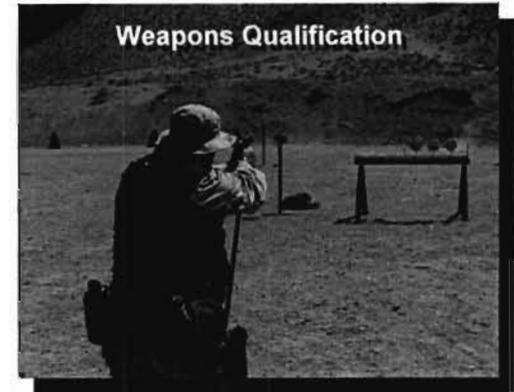
- The mountains, old production facilities, the desert, & Walker Lake, are currently being used by the Marine Corps, Reservists, Army Special Forces & Navy Seals for pre-deployment training for Iraq & Afghanistan. HWAD also supplies housing & support facilities (Rifle Range and Sniper Course) to Armed Forces Personnel

Old production facilities can be used for future training sites (Urban Warfare, P.O.W. Camp)

National Guard expressed interest in using HWAD as permanent training location

If additional ranges are required then HWAD can acquire additional BLM lands & the Old Garfield Flats area

Joint Full Services Training Area with Storage & Support Services



**MILITARY VALUE**

MISSION → CURRENT + FUTURE = OUTCOME

**TESTING**

Full Service Munitions Test Range, from small arms, mortars, 105MM's to MICLICS (Linear Charge) – Currently operated by the Marine Corps at Carter Test Range. The range is equipped with conditioning chambers, targets etc.

Expansion into Garfield Flats & BLM Land would make it possible to extend the range capabilities

More ballistic test capabilities for the DOD



**MILITARY VALUE**

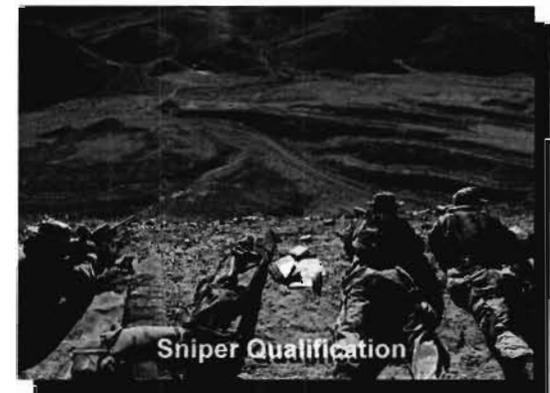
MISSION → CURRENT + FUTURE = OUTCOME

**OTHER**

Tenant conducts training of Security Personnel/Forces to be deployed to Iraq & Afghanistan to protect politicians world wide – Training includes rough terrain driving, explosive detection & weapons qualifications

Expand to move extensive training for Civil Servants (CID, FBI, Embassy's, Commercial Activities etc.)

Realistic training for deployment worldwide



**MILITARY VALUE**

**AVAILABILITY & CONDITION OF LAND, FACILITIES & AIR SPACE**

**MAIN POINTS**

- ✓ Over 146,000 Acres of Semi-Arid Land surrounded by BLM with access from the North, South & West
- ✓ Railroad Access
- ✓ Air Access – 6,000 Foot Runway
- ✓ No Endangered Species
- ✓ The Depot INCLUDES an 28,000 Acre Watershed & Training Area
- ✓ Water Rights for Depot Use
- ✓ Geothermal & Solar Energy Potential

**USE**

- ✓ Storage of up to 600,000 tons of munitions, military training, ballistic testing, munitions manufacturing, maintenance, surveillance, and demilitarization
- ✓ OPEN FOR USE
- ✓ Winter, Desert & Mountainous Terrain Training
- ✓ 100% Self Contained
- ✓ Energy Development – Cost Savings

**THE  
LAND**



*Hawthorne Army Depot (HWAD)*

**MILITARY VALUE**

**AVAILABILITY & CONDITION OF LAND, FACILITIES & AIR SPACE**

**MAIN POINTS**

**USE**

- ✓ Most facilities are 40-50 years old but they were constructed of reinforced concrete, there is very little deterioration
- ✓ The Western Area Demil Facility, constructed in the late 1970's is still state of the art for munitions demilitarization
- ✓ 50 Miles of Army Strategic Mobility Program Roads (less than 5 years old) and railroad access the production, demil and storage locations
- ✓ State of the Art Container Loading/Off-Loading Pads, Truck Inspection, Safe Haven & MILVAN repair facility constructed between 1995-2005

- ✓ Support, Production, Maintenance & Demilitarization Activation
- ✓ Demilitarization and recycling of munitions for TODAY & TOMORROW!
- ✓ Meet Surge & Mobilization Demands

**THE FACILITIES**



*Hawthorne Army Depot (HWAD)*

**MILITARY VALUE**

**AVAILABILITY & CONDITION OF LAND, FACILITIES & AIR SPACE**

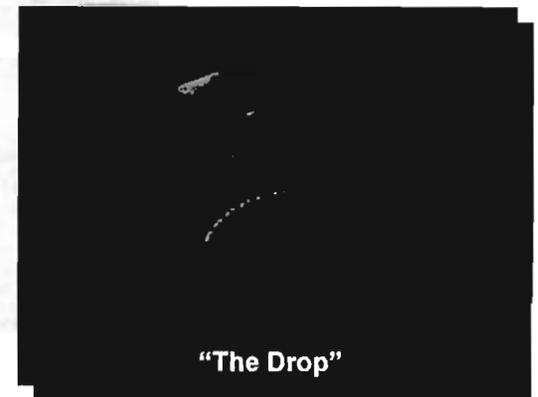
**MAIN POINTS**

- ✓ Permitted Air Clearance's for Ballistic Testing & Aircraft Training Activities
- ✓ The Mineral County Airport has air clearance adjacent to the airport

**USE**

- ✓ Ballistic testing of a variety of "All-Up" munitions & components
- ✓ Marine & SEAL training activities – AIR ASSAULT
- ✓ The Airport is used for munitions shipment; Airlift in support of training; SEAL Drop Zone, etc.

**THE AIRSPACE**



## MILITARY VALUE

### CONTINGENCY, MOBILIZATION, SURGE & FUTURE TOTAL FORCE REQUIREMENTS

#### HAWTHORNE ARMY DEPOT

- ◆ Storage space available for 8 Million SQFT of storage space availability (52% Occupied w/20% (132,000 Tons) Demil Stocks) **NOTE:** HWAD's concept of storage is to use maximum utilization (cube) of individual magazines. HWAD pays taxes on all occupied magazines
- ◆ Container Repair Facility – Capable of Repairing 840 containers (3-8-7) per week
- ◆ Out loading capabilities by container, rail or truck **4,500 tons (3-8-7)** with current multi-tasking workforce - CROSSFUNCTIONAL
- ◆ Met ALL surge requirements for Desert Storm and Operation Endearing Freedom without delay

*Hawthorne Army Depot (HWAD)*

#### TOOELE ARMY DEPOT

- ◆ 85% PLUS – Storage Capacity Met - 1.9 Million Explosive Capacity
- ◆ 200,000 Tons Capacity with some storage outside – UNDER SAFETY & SECURITY WAIVERS
- ◆ Limited Out-loading Capabilities
- ◆ Limited Container Repair Capabilities



**MILVAN Inspection & Repair Facility**

## MILITARY VALUE

### COST OF OPERATIONS & MANPOWER IMPLICATIONS

#### MISSION

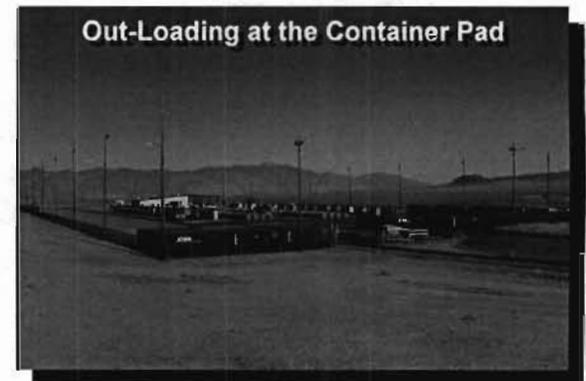
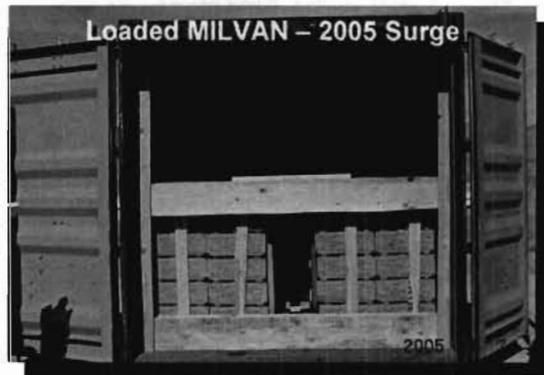
STORAGE  
&  
DISTRIBUTION

#### COST OF OPERATION

- HWAD is a large, complex facility and the operational (Labor Hours) costs are the **LOWEST** in the Depot System for Shipping, Receiving, Storage & Demilitarization
- For the past 25 years, Operation & Maintenance of HWAD has been contractor operated. The current contractor was low price – 3M less per year than its closest competitor & ranked **HIGHEST** in Management, Technical and past Experience. The Contract is **FIRM FIXED PRICED – ID/IQ**
- Expansion or increased workload will not effect indirect/overhead costs; security, fire prevention, base operations and utilities costs are generally fixed.

#### MANPOWER IMPLICATIONS

- HWAD uses a diversely skilled workforce (certified in munitions) that has been trained to ship, receive, store, demil, LAP, and renovate munitions.
- Management and Technical personnel are munitions specialists – Skills that are becoming increasingly harder to find & **NOT** taught in school



*Hawthorne Army Depot (HWAD)*

## MILITARY VALUE

### COST OF OPERATIONS & MANPOWER IMPLICATIONS

#### MISSION

MAINTENANCE  
&  
RENOVATION

#### COST OF OPERATION

- The renovation of the 105MM at HWAD is \$20 per round cheaper than at competing operations of the same nature. 105MM's are sent from other depots to be renovated at HWAD. We have renovated 326,000 rounds as of May 25, 2005.
- Other items processed include 105mm Conversion Operation that was \$30.00 cheaper per round to process at HWAD, but the work was sent to SNC in Canada

#### MANPOWER IMPLICATIONS

- HWAD has qualified Engineers, Mechanics, Technicians, & Munitions Handlers
- HWAD is a low cost area and depot overhead costs are fixed



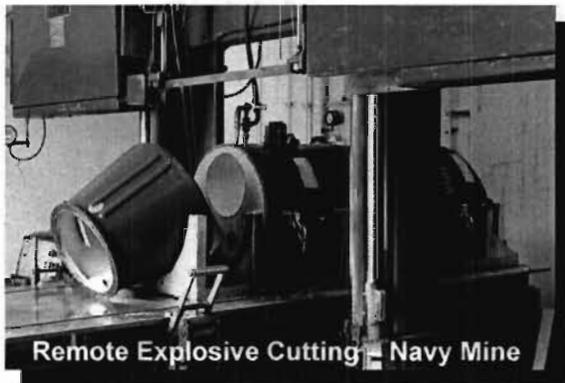
*Hawthorne Army Depot (HWAD)*

## MILITARY VALUE

### COST OF OPERATIONS & MANPOWER IMPLICATIONS

#### MISSION

MUNITIONS DEMILITARIZATION  
AND  
DISPOSAL OF RANGE SCRAP &  
TARGETS



#### COST OF OPERATION

- Current demilitarization costs are the lowest in the Depot system - All demilitarization is on a FIRM FIXED PRICE basis
- The new Range scrap processing project is currently 20-25% cheaper than the current method used by our customer PLUS it's 100% SAFER – NO ENERGETIC CONTAMINATION RELEASED TO THE PUBLIC
- As a 3<sup>rd</sup> Party operation we are currently demilitarizing 750# Bombs for Alliant Tech Systems (ATK) - The Tritinol removed is being recycled into TNT.... HWAD was awarded the contract based on lowest price, safety record, technical execution & expertise

#### MANPOWER IMPLICATIONS

- Munitions recycling & recovery of explosives & metals are technically complex due to the age and condition of the munitions processed. Process Engineers, Technicians, Mechanics and Munitions Handlers must be trained in safety and explosive reclamation processes - This evolution of experience takes years to accomplish.



## MILITARY VALUE

### COST OF OPERATIONS & MANPOWER IMPLICATIONS

#### MISSION

AMMUNITION PRODUCTION  
(Load, Assemble & Pack)

#### TESTING

#### COST OF OPERATION

- Generally a 3<sup>rd</sup> Party effort.... Currently there are limited opportunities for LAP... The industrial base is over capacity
- The Marine Corps Ballistic & Function Testing at HWAD's Carter Test Range is Located at HWAD because of Restricted Access to Ranges and its Low Cost to Operate – Their PRIMARY CUSTOMER is the U.S. ARMY, but HWAD does work for the Air Force, Marines, Navy & Commercial Suppliers

#### MANPOWER IMPLICATIONS

- HWAD has experienced personnel that have worked on Bombs, Fuzes, Mines, Demolition Charges, Fuel Air Explosives, Propelling Charges, and Rocket Fuel loading activities
- Multi-talented Technical Personnel perform a variety of munitions testing and certifications.



*Hawthorne Army Depot (HWAD)*



## MILITARY VALUE

### COST OF OPERATIONS & MANPOWER IMPLICATIONS

#### MISSION

TRAINING

#### COST OF OPERATION

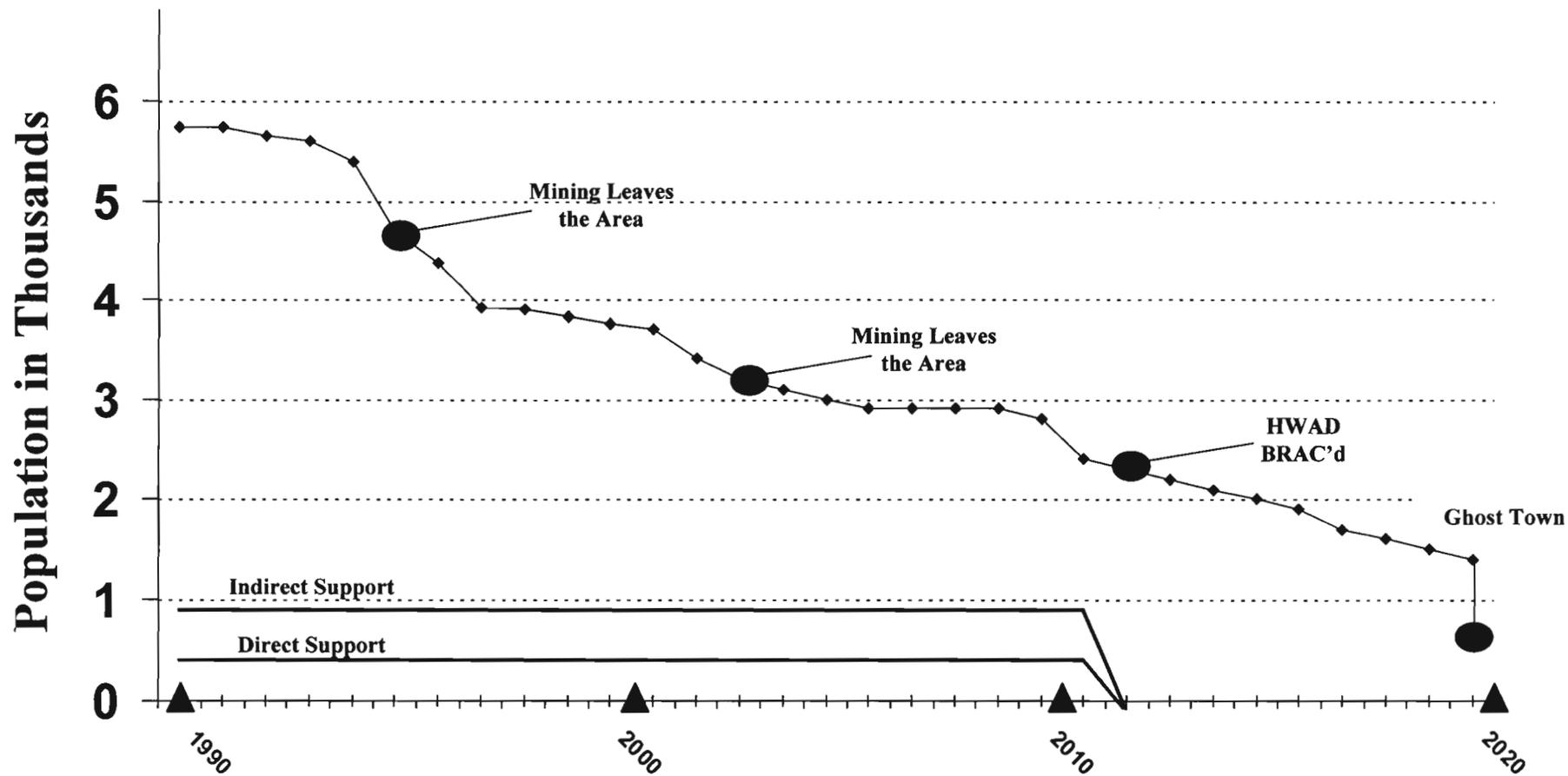
- The cost to use the HAWTHORNE ARMY DEPOT lands & facilities is negligible. The Marine Corps, Special Forces, Navy SEALS are very much self supporting

#### PERSONNEL IMPLICATIONS

- Loss of training facilities that looks and tastes like Iraq and Afghanistan – WILL affect pre-deployment active and reserve troops



# OTHER CONSIDERATIONS



**OTHER CONSIDERATIONS**

**COST TO CLOSE ANALYSIS**

**BRAC ANALYSIS**

**\$180,000,000** (To Close)

**HWAD ANALYSIS**

**\$380,320,000** (Excluding Environmental Costs)

**Close HWAD – Beginning in 2006**

*(MUST SHIP 218,000 Tons AA&E & Component Material Between 2006 – 2009)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<b>SUB-TOTAL</b>
SHIP FROM HWAD	\$8,800,000	\$11,500,000	\$19,200,000	\$12,000,000	<b>\$51,500,000</b>
TRANSPORTATION	\$6,000,000	\$8,000,000	\$14,400,000	\$9,600,000	<b>\$38,000,000</b>
RESTOW AT RECEIVING INSTALLATION	\$6,000,000	\$8,400,000	\$11,000,000	\$6,900,000	<b>\$32,300,000</b>
RECEIPT AT RECEIVING INSTALLATION	\$6,000,000	\$7,750,000	\$12,800,000	\$7,920,000	<b>\$34,470,000</b>
DIFFERENCE IN STORAGE COST AT RECEIVING SITE	<u>\$800,000</u>	<u>\$1,620,000</u>	<u>\$2,550,000</u>	<u>\$2,180,000</u>	<b>\$7,150,000</b>
<b>TOTALS TO RELOCATE STOCKS</b>	<b>\$27,600,000</b>	<b>\$37,270,000</b>	<b>\$59,950,000</b>	<b>\$38,600,000</b>	<b>\$163,420,000</b>

**Re-Stow Demil Stocks (130,000 Tons Decreasing Each Year)**

*Close South (1<sup>st</sup>) Central (2<sup>nd</sup>) & North (3<sup>rd</sup>) Magazine Areas*

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<b>SUB-TOTAL</b>
\$2,000,000	\$2,200,000	\$2,400,000	\$2,600,000	\$2,800,000	\$0	<b>\$12,000,000</b>

**Demilitarization Of 130,000 Tons Of Munitions Between 2006 & 2011**

*(NOTE: Other Installations Must Demil 300,000 Tons to be able to Receive HWAD Stocks)*

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<b>SUB-TOTAL</b>
\$12,000,000	\$18,000,000	\$35,000,000	\$30,000,000	\$30,000,000	\$20,000,000	<b>\$145,000,000</b>

**NOTE: COST PER TON WILL INCREASE WITH THE COMPLEXITY OF THE ITEMS TO BE DEMILITARIZED**

**OTHER CONSIDERATIONS**

**COST TO CLOSE ANALYSIS**

**Duplication Of Demil Facilities/Capabilities At Tooele Ad Using Current Dollars**

	<u>CONSTRUCTION</u>	<u>PURCHASE &amp; INSTALL</u>	<u>PERMIT</u>	<u>PROVEOUT</u>	<u>SUB-TOTAL</u>
Infrastructure (Water, Sewage, Magazines, Railroad, Site work, electrical Admin Bldg, Chemistry Lab, & Equipment Repair Facility (4 Years)	\$15,000,000	N/A	\$0	\$0	<b>\$15,000,000</b>
Rotary Furnace (Existing Structure)	\$0	\$0	\$0	\$0	<b>\$0</b>
10 Autoclaves (8 Years)	\$4,800,000	\$2,500,000	\$250,000	\$250,000	<b>\$7,800,000</b>
High Pressure Wash-Out (6 Years)	\$4,200,000	\$1,000,000	\$100,000	\$150,000	<b>\$5,400,000</b>
Explosive Sawing - Max 2K NEW – Including Control Room (4 Years)	\$7,200,000	\$1,500,000	\$0	\$250,000	<b>\$8,900,000</b>
MHE, Transportation & Misc. Tooling (2 Years)	\$0	\$3,000,000	\$0	\$0	<b>\$3,000,000</b>
Plasma Ordnance Destruction System Including Pollution Abatement (8 Years)	\$1,500,000	\$2,500,000	\$300,000	\$300,000	<b>\$4,600,000</b>
Bulk Incinerator w/Control Room (6 Years)	\$1,500,000	\$3,500,000	\$200,000	\$150,000	<b>\$5,350,000</b>
Contained Burn Facility (Missiles w/Control Room/Relocation of NTS – 5 Years)	\$1,200,000	\$600,000	\$400,000	\$2,350,000	<b>\$2,350,000</b>

**Relocate Navy Torpedo, Mine Maintenance Detachment & Battery Recycling Marine Corps Detachment If Facilities Are Available At Receiving Site**

Relocation (5 Years)	\$7,500,000	\$0	\$0	\$0	<b>\$7,500,000</b>
				<b>SUB-TOTAL</b>	<b>\$59,900,000</b>

**Hawthorne Army Depot (HWAD)**

**TOTAL TO CLOSE \$380,320,000**

**OTHER CONSIDERATIONS**

**ECONOMIC IMPACT on EXISTING COMMUNITIES**

**BRAC ANALYSIS**

Closing HWAD would effect 74 Military Personnel, 45 Civilian Employees and 80 Contractor Personnel. BRAC would use Reno, Nevada – which is 130 Miles from HWAD for analysis comparison

**HWAD ANALYSIS**

These numbers are **INCORRECT**. Closing HWAD will result in the loss of **1** Military Personnel, 45 Civilian Personnel and **493** FULL TIME Contractor Employees. The ripple effect would then displace **25-30** subcontractors that are not counted as part of the full time workforce. The loss of **539** direct jobs represents approximately **27%** of the total workforce in Mineral County.

All total closing HWAD will result in a minimum of **46%** loss of jobs throughout Mineral County and probably more since HWAD is the primary source of outside revenue for the county.

As the primary employer in Hawthorne some economic redevelopment will be required. Annual payroll is currently \$16,600,000.00.

Subcontractors & purchases between October 20, 2004 and March 15, 2005 was \$5,900,000.00, which went to small, women owned, disadvantaged, veteran owned business' (89%).

50% of the current workforce is women, 22% are single mothers. 8% are Native American from the Walker River Piute Indian Reservation.

Privatization – Re-use of Facilities will take years to complete as the process cannot begin until environmental clean-up is complete.

2% of the land in Mineral County is owned by the Federal Government.

Unless the depot is environmentally remediate **IMMEDIATELY** and turned over for commercial development – **MINERAL COUNTY WILL BE DEVASTATED**

Relocation of families with school age children will directly impact the Mineral County School District with a loss of enrolled students – Impact 50%



**BRAC**

*Commission Regional Hearing*

## **OTHER CONSIDERATIONS**

### **BRAC ANALYSIS**

### **EFFECTED LOCAL BUSINESS'**

### **HWAD ANALYSIS**

Day & Zimmermann Hawthorne Corporation, BAE Services, NAPA Auto Supplies, B&S Plumbing, ACE Hardware, Western Central Petroleum, Hawthorne Enterprises, Baxter's Refuse Collection, Amerigas, BLT Ready Mix, C-N-I Mobile Glass, D. Isom Mobile Glass, G-Dubs Construction, Mark Koscinski Painting, Miner's Contracting, Mineral County Independent News, Mount Grant General Hospital, Mount Grant Electric, Sign City

Loss of residents will cause closure of the remote site - Western Nevada Community College – WNCC has realized the direct support of HWAD employees

HWAD has little market value – **WE ARE MUNITIONS SPECIFIC**

What are the Magazines and Production Facilities worth?

Unimproved land has been appraised at \$50.00 per acre

Most Watersheds and Walker Lake will be turned over to the Native Americans

Loss of \$1,000,000.00 per year in local possessory use, business & sales taxes – This figure DOES NOT include the loss of property and real tax dollars because of a decline in population

The BRAC committee incorporated Mineral County displacement data from the Reno/Sparks Metropolitan area – 133 MILES FROM HAWTHORNE

Current Mineral County employment is 1,860 – CLOSING HWAD WILL DEVASTATE HAWTHORNE, NEVADA!!

With the Mining Industry leaving the immediate area – Leaves HWAD as the primary employment base – NO JOBS WILL BE AVAILABLE FOR 70 MILES IN ANY DIRECTION

Employees currently working at HWAD will surely move away

***Hawthorne Army Depot (HWAD)***

**OTHER CONSIDERATIONS**

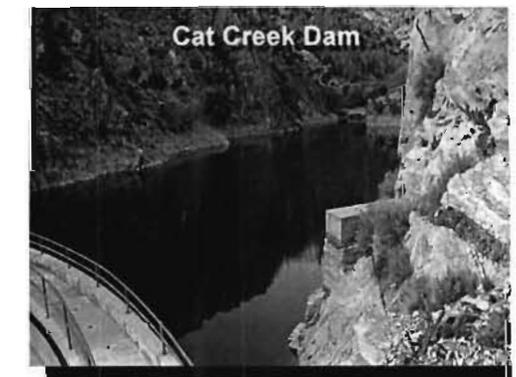
**HWAD has the ability of the infrastructure of both existing Hawthorne AD and recurring (Tooele AD) Communities to Support the Armed Forces Mission & Warfighter**

**HWAD**

- ❖ HWAD is pretty much self contained – it has it’s own water system, road & railroad network, internal electrical sources, fire department & family housing. The township of Hawthorne, which is primarily a low to middle income community is just now beginning to build homes again – for the 1<sup>st</sup> time in 20 years.
  
- ❖ Hawthorne has water, sewer, and other infrastructure to support the Depot.
  
- ❖ At one time the town supported TEN THOUSAND Civilian and Military personnel that worked at NAD Hawthorne during WWII

**TOOELE**

Not Available at this Time



**OTHER CONSIDERATIONS****ENVIRONMENTAL RESTORATION****\$168,000,000**

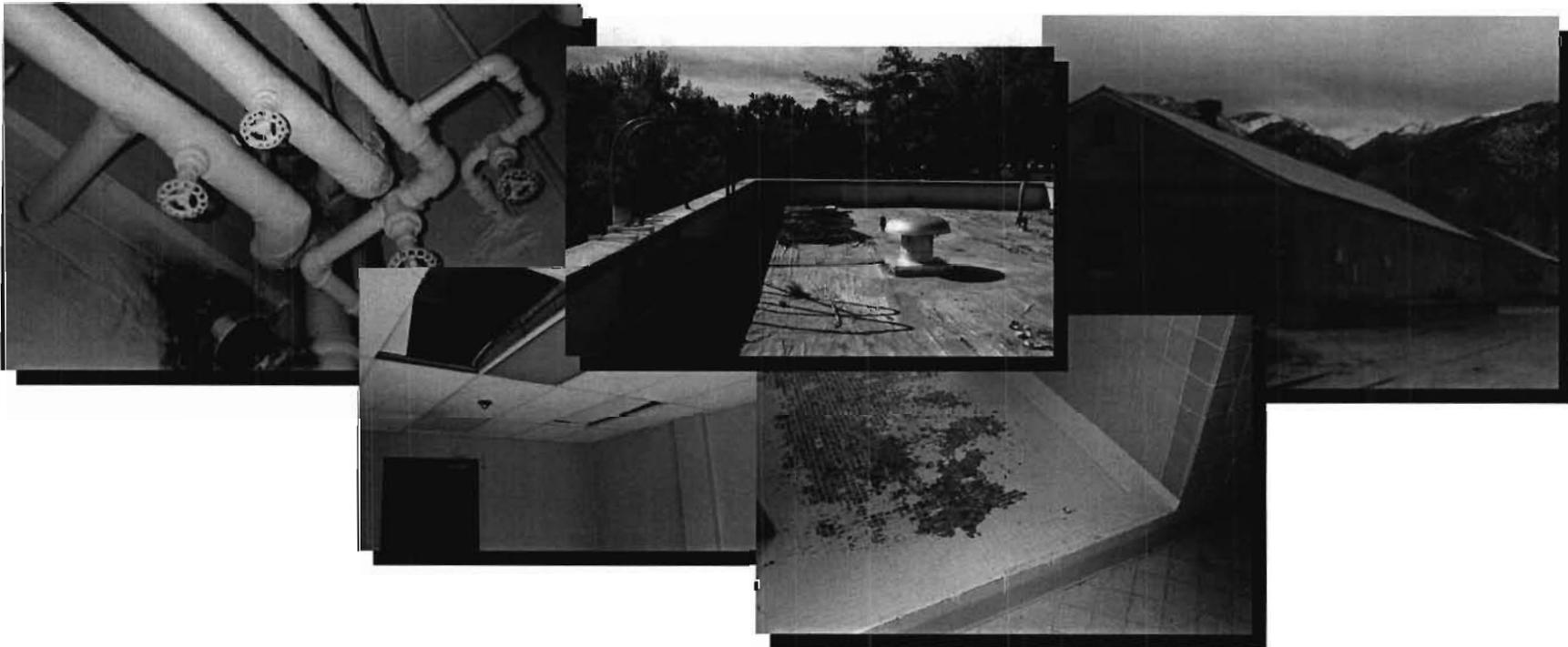
<u>ACTIVITY</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>
Walker Lake Rocket Test Range	An old 5" & 2.75" rocket, water impact range at the North end of the Depot located on WALKER LAKE – performed ballistic testing on rocket motors, and live fire fuze testing – CONTAMINATED – To what extent? Currently unknown, but is estimated at 1,000 acres of surface contamination and 2,000 acres of underwater contamination – as the water in Walker Lake recedes – more UXO is exposed	\$40,000,000
NOITC RANGE	Old Marine Corps combat & rifle range on the west side of the Depot – Approximately 710 acres is contaminated with various types of munitions ranging from 40MM to Small Arms and Grenades)	\$30,000,000
Underground Mustard Gas Disposal Area	Complete remediation of the mustard gas disposal area approximately 27.5 acres	\$3,000,000
Removal of Production Support Facilities	102-51, 102-52, etc.	\$25,000,000
Old Bomb Burn Area & Carter Test Range impact areas	Approximately 12,578 acres to the South end of the Depot & was used for 2.75" Rocket Testing, Burning of Reject Materials & Propellant	\$40,000,000
New Bomb OB/OD Range	1,400 Acres – 20 Miles South of the Depot used to open detonate explosive items for the past 40 years – Disposal of Yellow D loaded Projectiles, ICM's FAE, 20MM, Missiles etc.	\$30,000,000

**OTHER CONSIDERATIONS**

**ENVIRONMENTAL REMEDIATION**

**\$95,000,000**

- ✓ Asbestos from steam lines, transite siding & roofing on store houses and other production buildings – replace roofs with new metal \$25,000,000
- ✓ Lead Paint Remediation on ALL buildings \$10,000,000
- ✓ Removal of contaminated production (101-41, 101-14, Bomb Production Buildings 101-1 through 101-16) \$50,000,000
- ✓ Remediation of sumps, pits etc., used for the collection of pink water during production operations (current remediation in process) \$10,000,000



**OTHER CONSIDERATIONS**

<b>WASTE MANAGEMENT (5-7 Years)</b>	<b>\$35,000,000</b>
✓ Close Landfills (Concrete, PCP, Sanitary Waste)	\$15,000,000
✓ Close ALL Solid Waste Sites	\$10,000,000
✓ Close Sewer Treatment Facility, Wells etc.	\$5,000,000
✓ Close Waster Water Treatment Facility	\$5,000,000
<b>ENVIRONMENTAL COMPLIANCE (5-20 Years)</b>	<b>\$56,000,000</b>
✓ Remediation of sumps, pits etc., used for the collection of pink water during production operations (current remediation in process)	\$23,000,000
✓ Close Actions on ALL permits	\$3,000,000
✓ Close Plans & Oversight	\$20,000,000
✓ Historical Architecture (HWAD is on the Historical Register)	\$10,000,000
<b>OTHER ENVIRONMENTAL IMPACT DEPENDING ON REUSE OR DISPOSAL ACTIONS/STRATEGY</b>	<b>\$15,000,000</b>
✓ Removal/Disposal of Housing Units	\$15,000,000
	<b>SUB-TOTAL 106,000,000</b>
<b>ESTIMATED ENVIRONMENTAL IMPACT DOLLARS</b>	<b>\$475,000,000</b>

# SUMMARY



## ECONOMIC IMPACT

- Mineral County – Hawthorne, Nevada both direct & indirect
- Low Cost Area
- Native American Community Impact

## MILITARY VALUE

- Multi-Functional – Training, Testing, Storage, Renovation, Surge, Mobilization, Demilitarization of munitions
- 146,000 Acres
- 2,700 Buildings + Infrastructure
- Future Unlimited

## UNIQUENESS

- Middle East climate and terrain similarities – EXCELLENT TRAINING ENVIRONMENT
- Strong Local and State Community Involvement – Hawthorne is a Patriotic Community
- Intellectual Property (IP) Demil, Storage and GOCO Operations
- No Encroachment

## COST SAVINGS

- Cost to Close = \$400,000,000
- Cost for Environmental Remediation - \$341,000,000 - \$400,000,000
- Currently Government Owned Contractor Operated – Very Little Civil Service Impact
- Centrally Located to West Coast Operations – Training, Surge, Ports, etc.

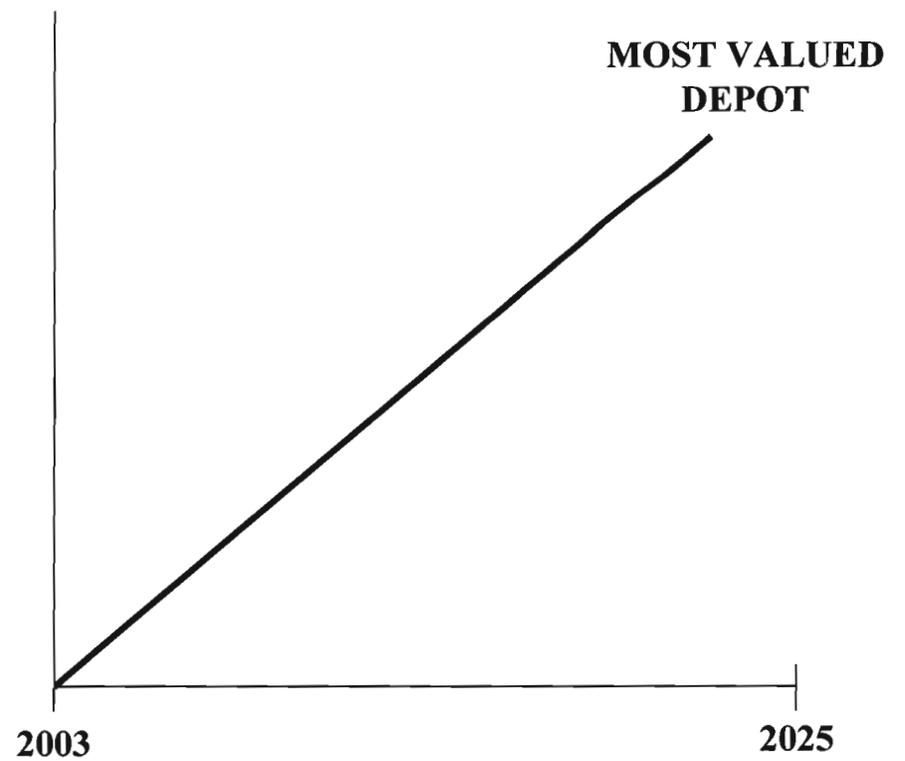
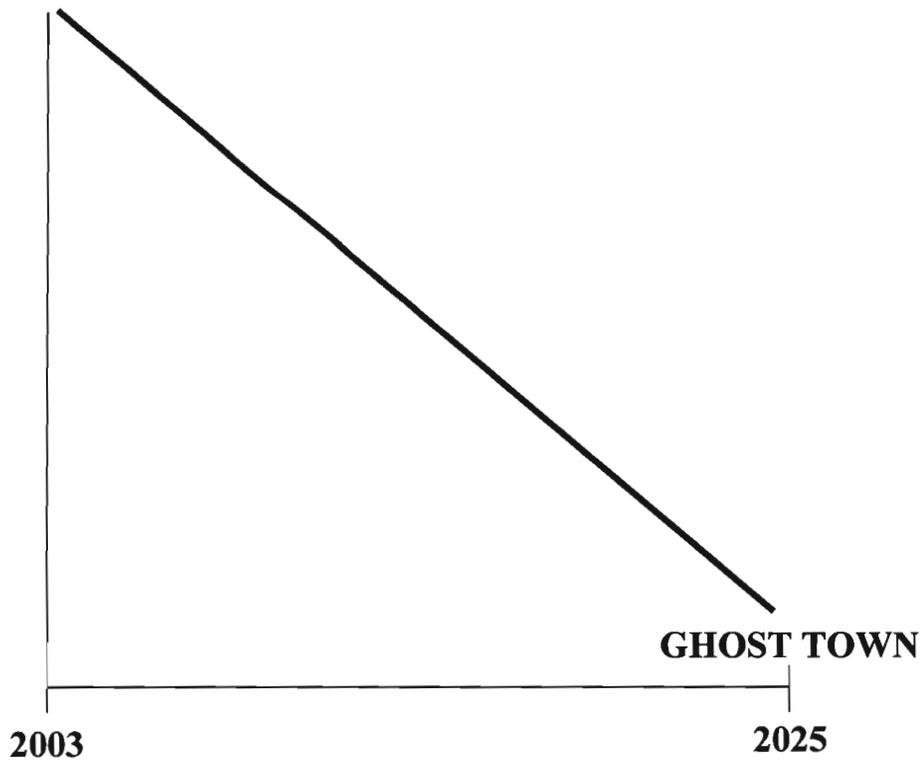
## OPTIONS

- STAY OPEN
- REALIGNMENT

# BOTTOM LINE

## BRAC

## NO BRAC



HWAD with its high military value should be removed from the BRAC list and allowed to help the DOD achieve its training, storage, distribution & demilitarization mission in the future



To support DOD training in HWAD's diverse (desert, mountain, urban & water) training facilities are ideal for the look and feel of Iraq Afghanistan, Iran, etc.



With no space available for WRSA-K (Korea) and SWA (Southwest Asia) retrograde munitions & equipment, HWAD has space available (300,000 tons of munitions & unlimited open storage). HWAD is strategically located to support all branches of service in their surge, mobilization and training activities.

HWAD has unique, "State-of-the-Art" environmentally friendly demilitarization facilities that are need NOW, for the 440,000 tons of obsolete munitions items base worldwide



The loss of 539 direct jobs will seriously impact Mineral County – a community of only 3,500 people.

Without the storage space that HWAD provides, the United States will be paying foreign workers to continue to store munitions in the European and Pacific theaters – Without HWAD there is insufficient storage space in the U.S. to return these munitions

*Thank You*



PRELIMINARY DRAFT (NOT FOR PUBLIC RELEASE)

HAWTHORNE ARMY DEPOT – BRAC FACT MATRIX				
Point	BRAC Comment	Actual Facts	Analysis	
Mil. Personnel	74	1	Incorrect Data – Only the Commander is active military.	
Civ. Personnel	45	45	Correct Data	
Contr. Pers.	80	493	Incorrect Data	
Employment Displacement Percentages	.1%	31%-50% Mineral County Total job losses	BRAC used employment data for the Reno/Sparks metropolitan area (243,270 employed) which is 133 miles away. Current Mineral County employment is 1,860. Total HWAD displacement is 585. Total projected job loss in county is 970.	
Cost to Close  In actuality totals approximately \$1.28 billion	IJCSG Munitions / Armament Capability Report says HWAD does not use its demil capability.	\$180.3 million	\$80.7 million	Relocation of 218,000 tons of munitions, inert material, and IPE to a new location. \$39m shipping, \$20.4m transportation, \$21.3m receipt
			\$151 million	Demilitarization of 130,000 tons of munitions stored at HWAD (calculated at current rates). Under perfect conditions – 4.5 years to complete.
			\$157 million of demil facilities duplication at Tooele not calculated.	Duplication of WADF capabilities at Tooele or other depots at least \$157 million for demil facilities plus \$500 million new magazines. Not feasible with Tooele space available. Environmental permitting will require 5 to 7 years.
			\$500 million for new magazines	HWAD demilitarized 8,070 tons in 2002, 5,913 tons in 2003, and 5,526 tons in 2004. Demil effort is directly proportional to funding. Tooele would need \$500 million in new magazines to accommodate incoming munitions from HWAD.
			\$10 million tenant relocate not calculated	Relocation of Navy Torpedo Battery Recycling, and Mine Maintenance Detachment and the Marine Corp Weapons Test Detachment (\$ 5 million to \$15 million), if facilities are available.
	Environmental costs not included by BRAC	Community Direct loss-\$38 million, indirect loss - \$46 million	As primary employer in Hawthorne extensive economic redevelopment will be required. Annual Payroll - \$16.6 million; Subcontracts & Purchases 10/2004 to 3/2005 - \$5.9 million (\$5.3 million (89%) to small business, women owned, disadvantaged, veteran owned, etc.). 4% of the workforce is Native American	
		\$383 million	\$383 million clean-up required - only if HWAD closed	
Discriminating Issues	HWAD does not produce or maintain munitions	Incorrect	HWAD is currently performing the renovation of 300,000 rounds of 105 MM renovation HWAD has performed Load Assembly & Pack (LAP) functions for bomb fuzes, mines, AQMs, and these facilities are still available.	
	Railroad Wash-out 3 months per year	Incorrect	Severe weather wash-outs are extremely rare. There have been three wash-outs in the last twenty years and they have not impacted receipt or shipment of munitions. Most shipments & deliveries by truck – Outstanding surge capabilities.	
	HWAD is not multi-functional or joint service oriented	HWAD is very multi-functional and Joint Service oriented in all areas of storage, demil, testing, training, manufacturing, & property disposal	<ul style="list-style-type: none"> <li>• Navy: Fallon training storage – Navy Carrier group storage/surge support for West Coast (in discussion) – Signed MOA to provide range scrap demilitarization.</li> <li>• Marines: High Desert and winter training (ideal Iraq / Afghanistan training simulations). Transient training up to 1000 at a time.</li> <li>• Navy SEALs: High Desert, Mountain, and Water training site (dedicated barracks facilities).</li> <li>• Corp of Engineers: Signed MOA for Range Scrap processing from closed test sites</li> <li>• DLA: Slated for national Mercury storage site summer 06; 4.890 tons</li> </ul>	

**Hawthorne Army Depot Facts:**

- 230 Square Miles of irreplaceable un-encroached, environmentally permitted, multi-functional Joint Service land and facilities
- 2400 Steel reinforced concrete magazines, all in serviceable condition
- Storage capacity for 600,000 tons of munitions with 300,000 tons of space available as the only usable space left in the depot system.
- Korea, South West Asia retrogrades will fill this space or otherwise be stored outdoors elsewhere causing Homeland Security and Anti-terrorism issues.
- 700 Industrial process, service support, inert storage buildings mostly all steel reinforced concrete
- 272 miles of railroad
- Facilities in place and operating for production/renovation, demilitarization, storage, receiving, shipping, ammo surveillance, mine and torpedo maintenance, property re-utilization office, scrap sales, open burn, open detonation, weapons and ammunition testing, operational training for Navy SEALs, Marines, National Guard, and Army, rifle ranges, gun ranges, mortar ranges etc. Multi-Functional, Joint Service, extremely low cost to use
- Currently demilitarizing 6-8 thousand tons per year. Capacity to demil 35-40 thousand tons per year
- Open burn, open detonation facilities for emergency destruction of unstable ordnance
- 3 Industrial sized container loading/offloading pads complete with truck and rail access
- 6 Industrial sized loading off /offloading docks complete with truck and rail access
- Army owned water rights and facilities; Cat Creek dam, Black Beauty reservoir, Rose creek reservoir, multiple deep wells
- Western Area Demilitarization Facility (WADF) – Largest fully permitted demilitarization facility in the depot system
- Homeland Security/Anti-terrorism support. All ammo stored in locked, guarded concrete magazines
- On-site laboratory for ammunition and environmental testing
- Range Scrap demilitarization and disposal facilities for joint service customers
- HWAD is sited by original design to service Pacific Fleet and western test and training ranges
- Un-restricted air-space for training operations
- Available adjacent land for expansion of training and testing for Joint Service customers
- 6,000 foot C-130 capable Mineral County airstrip
- Space available to support DLA customer request to store 4890 tons of strategic mercury stockpile
- Space available to store 22 Trident C-4 rocket motors at request of customer
- Space available to support Pacific Fleet customer with just in time delivery of fleet ammo packages to ports on west coast

- Multi-functional use of HWAD land makes for transient training of Marines and Seals at little extra cost

**Problems with changing land use of HWAD from current use to public/commercial use:**

- HWAD has been used as munitions processing and storage and testing site for over 70 years. To change land use will require extensive multiple site environmental remediation. Army Corps of Engineers estimates approximately \$383 million.
- Likely to cause water rights legal battle between Army, State of Nevada and Mineral County that will last many years and cost everyone a lot.
- Buildings constructed for ammunition processing and storage not readily suited to other uses.
- Some HWAD sites may be permanently closed to usage transfer and require caretaker status forever. This is costly with no benefit to tax payer or war fighter.

WHITE PAPER  
HWAD BRAC ISSUES

5/19/05

1. BRAC says that the effect on personnel of closing Hawthorne Army Depot (HWAD) is 74 military, 45 civilians, 80 contractors. This is incorrect. Closing HWAD will result in the loss of 1 military, 45 civilians and 493 contractors since that is what is present now. Also lost would be many subcontractors not counted as full time. BRAC says this is not important because this is only .1% of the Reno/Sparks metropolitan area which they used for analysis. In actuality HWAD is 133 miles from Reno. The loss of 539 direct jobs represents approximately 27% of the total workforce on Mineral County. The waterfall effect of these jobs lost would result in at least a 46% loss of jobs in Mineral County and probably much more since HWAD is the primary source of outside revenues. It is interesting to note that BRAC used Fallon to compare the impact of shutting down NAS Fallon but used Reno for analysis for shutting down HWAD whereas Reno is 133 miles from HWAD and Fallon is 70 miles from Reno.
2. BRAC says the cost to close HWAD is \$180,000,000. Actual Costs will be much higher including \$80.7 million for relocation of stocks (there is no magazine storage in the USA that will hold this amount of stocks), \$150 million in Demil of stocks at HWAD, \$5-15 million to relocate Navy Torpedo and Marine Corps Weapons Test Detachments, Mineral County Redevelopment \$27.8 million, many millions to build, prove out, and permit a new demil facility to replace WADF (see paragraph 3) and an estimated \$400 million for environmental remediation sufficient to change the land use from a munitions operation to a public operation. BRAC says that environmental remediation is not included as a factor because it is required anyhow. Not accurate. It is required to change the land use from military munitions to public use but in reality that \$400 million will never be allocated as long as the land use does not change (i.e. HWAD is not shut down).
3. BRAC says that HWAD capabilities and functions will be transferred to Tooele Army Depot. The cost of doing this is prohibitive in itself. To duplicate HWAD demil facilities would cost \$250 million to \$300 million and a decade of environmental approval delays. There is no room at Tooele for magazine storage on the scale of HWAD. Tooele is also facing an encroachment problem that would make it vary difficult to build or develop the required facilities needed to replace HWAD. The entire Depot system in the USA is currently out of storage capacity except for HWAD. When Korean and Guam and European retrogrades start coming back in full force (they have already started) all the depot system will be overflowed requiring outdoor storage of ammunition thus producing large Homeland Security issues. HWAD has the only remaining useable 300,000 tons of storage capacity. (See attached chart produced by the Program Manager for Demilitarization).
4. BRAC says HWAD does not maintain or produce munitions. This is not true. HWAD routinely renovates munitions for storage and issue to war-fighter for training programs. HWAD also supports a dedicated formal government Quality

Direct

Relocation  
400M.  
Demil 157M

capabilities

Security  
Safety  
Loggers  
for  
open  
storage  
of  
AMS

Assurance Specialist Ammunition Surveillance (QASAS) munitions inspections program for active stocks of Ready for Issue (RFI) ammunition.

5. BRAC says HWAD cannot offload and receive munitions because of unreliable rail conditions. This is untrue. HWAD has one of the very best (if not the very best) shipping and receiving record in the depot system. There have been a total of only 3 short rail outages in the last 20 years. No shipping or receiving schedules were missed. Ever. Other major depots (not BRAC'd) located in the East and Midwest cannot claim this. They have a much worse record because of weather and other factors. Also the majority of all shipping and receiving is done by truck. HWAD has access to 3 highways in and out of the area with multiple routes branching off from each of the 3. HWAD was designed and positioned where it is because it is in the perfect location to serve the Pacific Fleet. HWAD is also in the perfect position to serve out ammo to the 2 largest ammunition usage ranges in the western US – namely Fallon NAS and Nellis USAF.
6. BRAC says that installations must multi-functional for production, demil and storage and BRAC says that HWAD is not. This is incorrect.\* HWAD is very multifunctional and also highly joint in its customer base. HWAD routinely provides joint demilitarization, renovation, receiving, shipping, storage under the Joint Munitions Command Single Manager for Conventional Ammunition concept. HWAD is also joint in providing access and support for Marines, Navy Seals, and Army training exercises on a regular annual basis. HWAD has evolved in the last year to be the site of preference for desert warfare training for Marines Corps Special Forces and Navy Seals headed to Afghanistan due to the similarity in terrain and climate. HWAD is currently providing joint services support for the processing of Range Scrap and Residue from Navy test ranges and FUD sites in concert with the Army Corps of Engineers. HWAD provides on-site support to the Navy Torpedo and Mine Maintenance Detachment on a permanent year-round basis. HWAD provides Load Assemble and Pack (LAP) services for the production of demo charges for ship testing at Mare Island and Puget Sound, Washington. HWAD is slated for the summer of 2006 to be the site for storage and maintenance of the National Mercury Stockpile because of its capacity and the quality of storage and security. HWAD is the largest and most capable site for the emergency destruction of unstable munitions in the US. HWAD also operates a MILVAN inspection and repair facility that serves all joint customers. HWAD routinely supplies serviceable containers to Tooele and other military bases so that they may meet their surge/mobilization plan requirements. This effort is in addition to HWAD meeting its own container requirements.
7. If anything HWAD is severely underutilized. With approximately 10 million square feet of manufacturing space, over 2,500 storage magazines, its proven out-loading and receiving capability, benchmark inventory program, ability to inspect, repair, and stuff 188 containers a day, available demilitarization processes that have grown since the initial BRAC review, customer interest in HWAD for the storage of mercury and ammunition to support pacific fleet operations and so on HWAD should be work loaded to take advantage of its geographical location and proven ability to provide needed services to all the branches of the military.

8. \*And also very faulty logic when it comes to Supply Depot Operations and Demil Operations. Just think where Wal Mart would be if they insisted that production, disposal, storage and distribution be performed all in one place).

### Hawthorne Army Depot, Nevada

**Recommendation:** Close Hawthorne Army Depot, NV. Relocate Storage and Demilitarization functions to Tooele Army Depot, UT.

**Justification:** Capacity and capability for Storage and Demilitarization exists at numerous munitions sites. To reduce redundancy and remove excess from the Industrial Base, the closure allows DoD to create centers of excellence and establish deployment networks that support readiness. Hawthorne AD has infrastructure problems that severely limit the ability to offload.

**Payback:** The total estimated one-time cost to the Department of Defense to implement this recommendation is \$180.27M. The net of all costs and savings to the Department during the implementation period is a savings of \$59.22M. Annual recurring savings to the Department after implementation are \$73.42M with a payback beginning immediately. The net present value of the costs and savings to the Department over 20 years is a savings of \$777.70M.

**Economic Impact on Communities:** Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 326 jobs (199 direct jobs and 127 indirect jobs) over the period 2006-2011 in the Reno-Sparks, NV metropolitan statistical area, which is less than 0.1 percent of the economic area employment. The aggregate economic impact of all recommended actions on this economic region of influence was considered and is at Appendix B of Volume I.

**Community Infrastructure:** A review of community attributes indicates no issues regarding the ability of the infrastructure of the community to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

**Environmental Impact:** This recommendation has expected impact on air quality at Tooele Army Depot. Air Conformity analysis will likely be necessary. Surveys and consultation with the State Historic Preservation Officer will be required at Hawthorne Army Depot. Restoration monitoring/sweeps, access controls and/or deed restrictions may be required at Hawthorne to prevent disturbance and health/safety risks, and/or long-term release of toxins to environmental media. Restoration and/or monitoring of contaminated media may be required after closure. Hawthorne also has domestic and industrial wastewater treatment plants that may require closure. This recommendation has no impact on dredging; cultural, archeological, or tribal resources; marine mammals, resources, or sanctuaries; noise; or wetlands. This recommendation will require spending approximately \$1.45M for environmental compliance activities. This cost was included in the payback calculation. Hawthorne reports approximately \$383.2M in environmental restoration costs. Because the Department of Defense has a legal obligation to perform environmental restoration regardless of whether an installation is closed, realigned, or remains open, this cost was not included in the payback calculation. This

DCN 925

recommendation does not otherwise impact the costs of environmental restoration, waste management, and environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.



4/14/05

# #IND-0108: HAWTHORNE ARMY DEPOT

**Candidate Recommendation: Close Hawthorne Army Depot, NV. Relocate Storage and Demilitarization functions to Tooele Army Depot, UT.**

<u>Justification</u>	<u>Military Value</u>
<ul style="list-style-type: none"> <li>✓ Capacity and capability for Storage and Demil exists at numerous munitions sites.</li> <li>✓ Closure reduces redundancy and removes excess from the Industrial Base</li> <li>✓ Allows DoD to create centers of excellence and establish deployment networks that support readiness for all Services</li> </ul>	<ul style="list-style-type: none"> <li>✓ Hawthorne: Storage/Dist, 2<sup>nd</sup> of 23; Demil 1<sup>st</sup> of 13</li> <li>✓ Tooele: Storage/Dist 5<sup>th</sup> of 23; Demil 2<sup>nd</sup> of 13</li> </ul>
<u>Payback</u>	<u>Impacts</u>
<ul style="list-style-type: none"> <li>✓ One-Time Cost: \$179.69M</li> <li>✓ Net Implementation Savings: \$59.81M</li> <li>✓ Annual Recurring Savings: \$73.42M</li> <li>✓ Payback Period: Immediate</li> <li>✓ NPV (savings): \$778.22M</li> </ul>	<ul style="list-style-type: none"> <li>✓ Criterion 6: -146 jobs (86 Direct, 60 Indirect); 0.06%</li> <li>✓ Criterion 7: No Issues</li> <li>✓ Criterion 8: Air quality, historic, land constraints, threatened species, water, and waste mgmt. No impediments.</li> </ul>

- ✓ Strategy
- ✓ Capacity Analysis / Data Verification
- ✓ JCSG/MilDep Recommended
- ✓ De-conflicted w/JCSGs
- ✓ COBRA
- ✓ Military Value Analysis / Data Verification
- ✓ Criteria 6-8 Analysis
- ✓ De-conflicted w/MilDeps



# #IND-0108: HAWTHORNE ARMY DEPOT

<p><b>Candidate Recommendation: Close Hawthorne Army Depot, NV. Relocate Storage and Demilitarization functions to Tooele Army Depot, UT.</b></p>	
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<ul style="list-style-type: none"> <li>✓ Capacity and capability for Storage and Demil exists at numerous munitions sites.</li> <li>✓ Closure reduces redundancy and removes excess from the Industrial Base</li> <li>✓ Allows DoD to create centers of excellence and establish deployment networks that support readiness for all Services</li> </ul>	<ul style="list-style-type: none"> <li>✓ Hawthorne: Storage/Dist, 2<sup>nd</sup> of 23; Demil 1<sup>st</sup> of 13</li> <li>✓ Tooele: Storage/Dist 5<sup>th</sup> of 23; Demil 2<sup>nd</sup> of 13</li> <li>✓ <u>Military judgment tips scale to Tooele because of support to readiness, accessibility and ease of out-loading.</u></li> </ul>
<p><u>Payback</u></p>	<p><u>Impacts</u></p>
<ul style="list-style-type: none"> <li>✓ One-Time Cost: \$100.98M</li> <li>✓ Net Implementation Savings: \$139.42M</li> <li>✓ Annual Recurring Savings: \$74.98M</li> <li>✓ Payback Period: Immediately</li> <li>✓ NPV (savings): \$833.75M</li> </ul>	<ul style="list-style-type: none"> <li>✓ Criterion 6: -146 jobs (86 Direct, 60 Indirect); 0.06%</li> <li>✓ Criterion 7: No Issues</li> <li>✓ Criterion 8: Air quality, historic, land constraints, threatened species, water, and waste mgmt. No impediments.</li> </ul>

✓ Strategy      ✓ Capacity Analysis / Data Verification      ✓ JCSG/MilDep Recommended      ✓ De-conflicted w/JCSGs  
 ✓ COBRA      ✓ Military Value Analysis / Data Verification      ✓ Criteria 6-8 Analysis      ✓ De-conflicted w/MilDep

*Wide based?*  
*Cost Score?*

**ANNEX 1. CAPABILITY RESULTS**

This annex contains the rank and score by capability of each Army installation studied during BRAC 2005.

*Production?*  
*Planning?*  
*PP Score?*  
*Cost Score?*  
*WB Score?*

Installation	Rank	Overall Score	Rank	Training Score	Rank	Future Score	Rank	PP Score	Rank	Logistics Score	Rank	Cost Score	Rank	WB Score
Ft Bliss	1	6.25	3	8.71	7	6.07	13	6.21	7	2.65	21	6.32	41	4.26
Ft Lewis	2	5.76	8	6.56	9	5.87	1	8.29	14	1.87	16	6.57	59	3.28
Ft Hood	3	5.70	10	6.19	1	7.67	5	7.04	16	1.83	38	5.74	50	3.71
Ft Stewart / Hunter AAF	4	5.48	13	5.84	2	6.95	3	7.78	17	1.83	41	5.65	89	2.27
Ft Bragg	5	5.37	9	6.30	10	5.84	2	7.81	25	1.25	35	5.81	77	2.64
Yuma PG	6	5.31	2	9.36	8	5.90	67	1.92	5	2.90	69	4.66	95	1.57
Ft Carson	7	5.26	6	7.10	20	4.35	7	7.00	19	1.80	66	4.82	51	3.62
Dugway PG	8	5.25	5	8.12	10	5.84	64	1.98	4	2.93	18	6.55	56	3.32
Ft Benning	9	5.24	7	6.57	25	4.03	4	7.50	27	1.18	34	5.84	20	5.11
White Sands MR	10	5.16	4	8.39	15	5.23	48	2.43	3	3.26	39	5.72	92	1.89
Ft Wainwright	11	5.09	1	9.71	17	4.69	57	2.14	6	2.78	97	2.50	76	2.64
Ft Knox	12	4.91	14	5.77	23	4.21	12	6.44	12	1.92	14	6.67	52	3.59
Ft Riley	13	4.89	16	5.49	3	6.43	8	6.71	30	1.15	68	4.72	82	2.40
Ft Campbell	14	4.81	17	5.10	4	6.14	6	7.03	28	1.18	59	5.08	84	2.37
Ft Drum	15	4.71	12	6.05	5	6.13	26	4.68	31	1.15	71	4.57	53	3.47
Ft Polk	16	4.67	15	5.76	6	6.11	21	5.16	31	1.15	54	5.22	87	2.28
Ft Irwin	17	4.56	11	6.18	24	4.18	38	3.76	8	2.60	83	4.00	8	5.69
Aberdeen PG	18	4.18	25	3.06	16	4.92	19	5.22	13	1.90	2	7.79	33	4.75
Ft Sill	19	4.03	18	5.03	57	2.26	9	6.62	29	1.17	53	5.30	78	2.49
Schofield Barracks	20	3.95	19	4.88	33	3.82	18	5.26	18	1.82	96	2.96	66	2.97
Ft Huachuca	21	3.86	20	4.34	19	4.54	39	3.60	38	0.99	30	5.96	42	4.22
Ft AP Hill	22	3.68	21	4.06	14	5.34	45	2.83	33	1.13	49	5.40	57	3.32
Ft Dix	23	3.47	29	2.12	34	3.74	16	5.81	64	0.16	23	6.31	4	6.08
Ft Mc Coy	24	3.21	23	3.53	35	3.65	34	3.96	41	0.72	78	4.28	68	2.95
Anniston AD	25	3.19	35	1.04	61	2.01	11	6.46	2	3.42	7	7.05	94	1.68
Ft Jackson	26	3.14	24	3.16	31	3.86	40	3.51	65	0.15	32	5.88	58	3.31
McAlester AAP	27	3.10	37	0.95	18	4.64	20	5.18	21	1.63	26	6.22	85	2.34
Ft Rucker	28	3.07	22	3.63	50	2.53	47	2.73	39	0.94	13	6.71	64	3.02
Ft Richardson	29	3.00	27	2.75	29	3.91	33	3.99	62	0.18	73	4.48	54	3.46
Redstone Arsenal	30	2.99	30	2.00	40	3.20	42	3.15	42	0.71	1	8.47	44	4.09
Hawthorne AD	31	2.97	26	2.87	12	5.56	61	1.99	35	1.11	66	3.65	83	2.39
Crane AD	32	2.92	32	1.22	27	3.97	30	4.39	9	2.38	63	4.98	86	2.31
Ft Eustis	33	2.91	43	0.77	49	2.57	10	6.55	58	0.23	27	6.17	17	5.17
Ft Gordon	34	2.80	28	2.62	30	3.88	77	1.77	54	0.33	42	5.64	26	5.01
Ft Leonard Wood	35	2.79	31	1.60	13	5.44	76	1.78	26	1.19	70	4.61	34	4.70
Ft Lee	36	2.79	49	0.59	39	3.21	14	6.08	67	0.15	37	5.74	37	4.57
Tobyhanna AD	37	2.79	69	0.36	81	1.06	32	4.38	1	4.24	6	7.29	39	4.39
Ft Belvoir	38	2.70	46	0.67	32	3.82	37	3.93	44	0.63	5	7.41	47	3.76
Letterkenny AD	39	2.69	42	0.78	36	3.63	28	4.51	34	1.13	52	5.34	48	3.75
Red River AD	40	2.61	39	0.88	60	2.02	15	5.81	24	1.31	50	5.38	73	2.67
Sierra AD	41	2.49	34	1.07	26	4.00	27	4.57	47	0.55	94	3.37	80	2.44
Tooele AD	42	2.48	40	0.87	41	3.19	31	4.38	45	0.62	46	5.54	70	2.81
Ft Sam Houston	43	2.42	33	1.21	65	1.84	44	2.97	57	0.24	3	7.78	14	5.31
Deseret Chem Plant	44	2.36	41	0.80	28	3.96	46	2.82	63	0.16	57	5.10	30	4.84
Bluegrass AD	45	2.34	53	0.43	80	1.09	17	5.54	43	0.68	56	5.12	12	5.35

**TAB 2. LIST OF BRAC 2005 ATTRIBUTES AND VALUE MEASURES**

The following tables illustrate the capabilities defined for BRAC 2005. Each capability is divided into sub-capabilities (a sub grouping) and has attributes that are mapped to the sub-capabilities. The MV attributes are described in detail in Annex 14 of the MV Supporting Document.

Capability	Sub-Capability	Attribute
<b>Training</b>	Impact Areas and Ranges	Direct Fire Capability
		Indirect Fire Capability
		MOUT Capabilities
	Maneuver / Air Space	Heavy Maneuver Area
		Light Maneuver Area
		Airspace
	Institutional Education	General Instructional Facilities
		Applied Instructional Facilities
	Environment / Encroachment Restrictions	Air Quality
		Noise Contours
		Soil Resiliency

Capability	Sub-Capability	Attribute
Project Power	Power Projection Platforms	Mobilization History
		Force Deployment
		Materiel Deployment
	C2 / Administrative	Operations/Admin Facilities
		Accessibility
		Connectivity
Materiel and Logistics	RDT & E	RDT&E Mission Diversity
		Test Ranges
	Logistics	Munitions Production Capability
		Maintenance/Manufacturing
		Inter-service and Partnering with Industry Flexibility
		Supply and Storage Facility
		Ammunition Storage Capacity

Capability	Sub-Capability	Attribute
Well - Being	Local Community	Crime Index
		Medical Availability
		Housing Availability
		In-State Tuition Policies
		Employment Opportunities
Cost Efficient	Manpower	Workforce Availability
	Installation / Facilities	Area Cost Factor
		Joint Facilities
		C2 TGT for Facilities
		Variable Cost Factor
Future Options	Mission Expansion Capability	Buildable Acres
		Brigade Capacity
	Mission Expansion Factors	Environmental Elasticity
		Urban Sprawl
		Critical Infrastructure Proximity
		Water

Capabilities	Attribute	DOD 1: Readiness	DOD 2: Facilities	DOD 3: Surge	DOD 4: Cost
Training	Direct Fire Capability	1	1	1	
	Indirect Fire Capability	1	1	1	
	MOUT Capabilities	1	1	1	
	Heavy Maneuver Area	1	1	1	
	Light Maneuver Area	1	1	1	
	Airspace	1	1	1	
	General Instructional Facilities	1	1		
	Applied Instructional Facilities	1	1		
	Air Quality	1	1	1	
	Noise Contours	1	1	1	
	Soil resiliency	1	1	1	
	Project Power	Mobilization History		1	1
Force Deployment		1	1	1	
Materiel Deployment		1	1	1	
Operations/Admin Facilities			1		
Accessibility		1	1	1	
Connectivity		1	1	1	
Logistics (IND. Base)	RDTE Mission Diversity		1	1	
	Test Ranges		1	1	
	Munitions Production Capability	1	1	1	
	Int. Service/Joint workload	1	1	1	1
	Maintenance/Manufacturing		1		1
	Supply and Storage Facility	1	1	1	
Ammunition Storage Capacity	1	1	1		
Well Being	Crime Index	1			
	Medical Availability	1		1	
	Housing Availability	1			
	In-state Tuition Policies	1			
	Employment Opportunities	1			
Cost Efficient	Workforce Availability	1			1
	Area Cost Factor				1
	Joint Facilities		1		1
	C2 TGT for facilities	1			1
	Inst. Unit Cost Factor				1
Future Options	Buildable acres		1	1	
	Brigade Capacity	1	1	1	
	Environmental Elasticity			1	
	Urban Sprawl	1		1	
	Critical infrastructure proximity			1	
	Water	1	1	1	

If an installation was not in the Army portfolio, it was not necessarily destined for closure; similarly, an installation within the Portfolio was not ensured of being retained. For example, Fort Monmouth, NJ, Fort McPherson, GA, and Hawthorne Army Depot, NV, were in the Army portfolio; however, JCSGs developed scenarios to move functions off these installations, and the Army determined the installations could be closed. The MVP analysis was Army centric and did not account for Joint capacity available or for unique capabilities from a Joint perspective; however, these Joint aspects were considered within scenario analysis. The resulting MV portfolio was a starting point for all Army BRAC analysis.

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## Economic Impact Report

This report depicts the economic impact of the following Scenarios:

IND-0108: Close Hawthorne Army Depot

The data in this report is rolled up by Region of Influence

As of: Tue May 10 11:51:10 EDT 2005

ECONOMIC IMPACT DATA

Scenario: All Selected (see title page)  
 Economic Region of Influence(ROI): Reno-Sparks, NV Metropolitan Statistical Area  
 Base: All Bases  
 Action: All Actions

Overall Economic Impact of Proposed BRAC-05 Action:

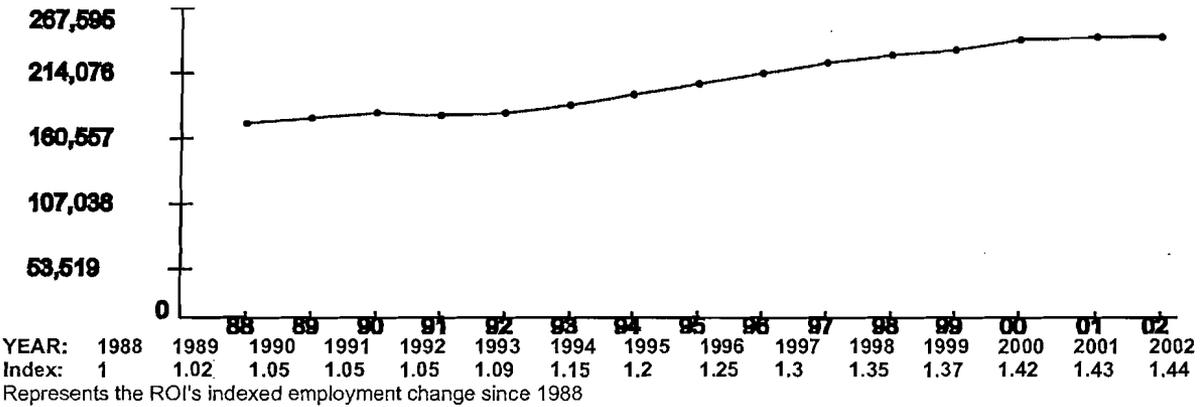
ROI Population (2002):	365,166
ROI Employment (2002):	243,270
Authorized Manpower (2005):	119
Authorized Manpower(2005) / ROI Employment(2002):	0.05%
Total Estimated Job Change:	-326
Total Estimated Job Change / ROI Employment(2002):	-0.13%

Cumulative Job Change (Gain/Loss) Over Time:

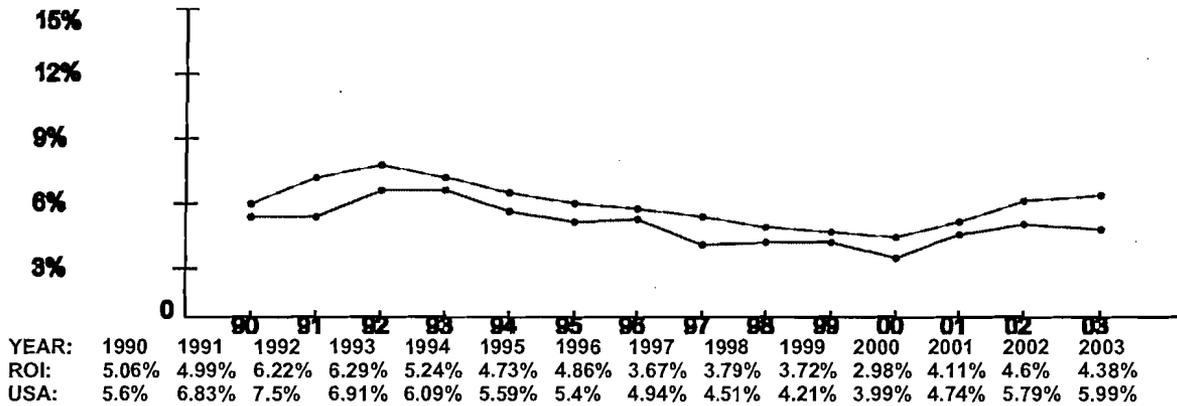
355						
284						
213						
142						
71						
0						
-71						
-142						
-213						
-284						
-355						
<b>YEAR:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Direct Military:</b>	0	0	0	0	0	-74
<b>Direct Civilian:</b>	0	0	0	0	0	-45
<b>Direct Student:</b>	0	0	0	0	0	0
<b>Direct Contractor:</b>	0	0	0	0	0	-80
<b>Cumulative Direct:</b>	0	0	0	0	0	-199
<b>Cum Indir/Induc:</b>	0	0	0	0	0	-127
<b>Cumulative Total:</b>	0	0	0	0	0	-326

Reno-Sparks, NV Metropolitan Statistical Area Trend Data

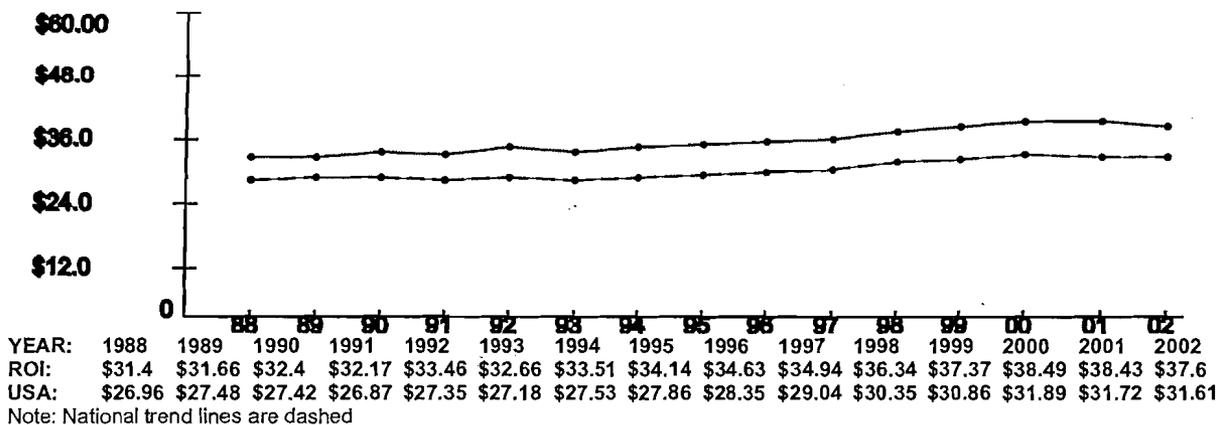
**Employment Trend (1988-2002)**



**Unemployment Percentage Trend (1990-2003)**



**Per Capita Income x \$1,000 (1988-2002)**



## HAWTHORNE ARMY DEPOT, NV

### Demographics

The following tables provide a short description of the area near the installation/activity. HAWTHORNE ARMY DEPOT is 133 miles from Reno, NV, the nearest city with a population of 100,000 or more. The nearest metropolitan statistical area (MSA) is

MSA	Population
Las Vegas, NV MSA	1,563,282

The following entities comprise the military housing area (MHA):

County/City	Population
Mineral	5071
Total	5,071

### Child Care

This attribute captures the number of nationally accredited child-care centers within the local community: 0

### Cost of Living

Cost of Living provides a relative measure of cost of living in the local community. General Schedule (GS) Locality Pay provides a relative scale to compare local salaries with government salaries and Basic Allowance for Housing (BAH) is an indicator of the local rental market. In-state tuition is an indicator of the support provided by the state for active duty family members to participate in higher-level education opportunities.

Median Household Income	(US Avg \$41,994)	\$32,891	Basis: 1 of 1 county
Median House Value	(US Avg \$119,600)	\$59,500	
GS Locality Pay	("Rest of US" 10.9%)	10.9%	
O-3 with Dependents BAH Rate		\$1,304	
In-state Tuition for Family Member		Yes	
In-state Tuition Continues if Member PCSs Out of State			

### Education

This attribute defines the population in local school districts and identifies capacity. The pupil/teacher ratio, graduation rate, percentage of certified teachers and composite SAT I/ACT scores provide a relative quality indicator of education. This attribute also attempts to give communities credit for the potential intellectual capital they provide.

NOTE: "MFR" means a Memorandum For Record is on file at the installation/activity/agency to document problems in obtaining the required information. Reasons for not being able to obtain information may be that the school district refused to provide the information or the school district does not use or track the information.

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If the installation/activity/agency has incomplete information from the local school system in order to accurately compute a score in this area, the number of school districts reporting information will be captured in addition to the computed answer.

		Basis
School District(s) Capacity	1,820	5 of 5 districts
Students Enrolled	729	5 of 5 districts
Average Pupil/Teacher Ratio	10.1:1	5 of 5 districts
High School Students Enrolled	211	1 of 1 district
Average High School Graduation Rate (US Avg 67.3%)	100.0%	1 of 1 district
Average Composite SAT I Score (US Avg 1026)	1060	1 of 1 district
Average ACT Score (US Avg 20.8)		1 of 1 district
Available Graduate/PhD Programs	0	
Available Colleges and/or Universities	1	
Available Vocational and/or Technical Schools	0	

## Employment

Unemployment and job growth rates provide a relative merit of job availability in the local community. National rates from the Bureau of Labor Statistics are also provided.

The unemployment rates for the last five-years:

	1999	2000	2001	2002	2003
Local Data	8.4%	10.0%	8.8%	6.1%	6.4%
National	4.2%	4.0%	4.7%	5.8%	6.0%
Basis:	1 of 1 county				

The annual job growth rate for the last five-years:

	1999	2000	2001	2002	2003
Local Data	-19.1%	1.5%	-10.0%	4.2%	-3.8%
National	1.5%	2.4%	.03%	-.31%	.86%
Basis:	1 of 1 county				

## Housing

This attribute provides an indication of availability of housing, both sales and rental, in the local community. Note: according to the 2000 Census, Vacant Sale and Vacant Rental Units do not equal Total Vacant Housing Units; Total Vacant Housing Units may also include units that are vacant but not on the market for sale or rent.

Total Vacant Housing Units	669	Basis: 1 of 1 county
Vacant Sale Units	59	
Vacant Rental Units	234	

## Medical Providers

This attribute provides an indicator of availability of medical care for military and DoD civilians in the local community. The table reflects the raw number of physicians/beds and ratio of physicians/beds to population.

	# Physicians	# Beds	Population	
Local Community	8	35	5,071	Basis: 1 of 1 county
Ratio	1:634	1:145		
National Ratio (2003)	1:421.2	1:373.7		

## Safety/Crime

The local community's Uniform Crime Reports (UCR) Index for 2002 per 100,000 people and the national UCR based on information from the Federal Bureau of Investigation (FBI) for 2002:

Local UCR	4,498.0	Basis: 1 of 1 county
National UCR	4,118.8	

## Transportation

Distance to an airport shows convenience and availability of airline transportation. Public transportation shows potential for members and DoD civilians to use it to commute to/from work under normal circumstances and for leisure.

Distance from HAWTHORNE ARMY DEPOT to nearest commercial airport: 133.0 miles

Is HAWTHORNE ARMY DEPOT served by regularly scheduled public transportation? No

## Utilities

This attribute identifies a local community's water and sewer systems' ability to receive 1,000 additional people.

Does the local community's water system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes

Does the local community's sewer system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes



If the installation/activity/agency has incomplete information from the local school system in order to accurately compute a score in this area, the number of school districts reporting information will be captured in addition to the computed answer.

		Basis
School District(s) Capacity	12,000	1 of 1 district
Students Enrolled	9,916	1 of 1 district
Average Pupil/Teacher Ratio	26.1:1	1 of 1 district
High School Students Enrolled	2,417	1 of 1 district
Average High School Graduation Rate (US Avg 67.3%)	90.0%	1 of 1 district
Average Composite SAT I Score (US Avg 1026)		1 of 1 district
Average ACT Score (US Avg 20.8)	20	1 of 1 district
Available Graduate/PhD Programs	1	
Available Colleges and/or Universities	1	
Available Vocational and/or Technical Schools	0	

## Employment

Unemployment and job growth rates provide a relative merit of job availability in the local community. National rates from the Bureau of Labor Statistics are also provided.

The unemployment rates for the last five-years:

	1999	2000	2001	2002	2003
Local Data	5.5%	3.1%	4.3%	6.2%	5.7%
National	4.2%	4.0%	4.7%	5.8%	6.0%
Basis:	3 of 3 counties				

The annual job growth rate for the last five-years:

	1999	2000	2001	2002	2003
Local Data	2.3%	1.7%	-.6%	-1.4%	1.7%
National	1.5%	2.4%	.03%	-.31%	.86%
Basis:	3 of 3 counties				

## Housing

This attribute provides an indication of availability of housing, both sales and rental, in the local community. Note: according to the 2000 Census, Vacant Sale and Vacant Rental Units do not equal Total Vacant Housing Units; Total Vacant Housing Units may also include units that are vacant but not on the market for sale or rent.

Total Vacant Housing Units	19,895	Basis: 3 of 3 counties
Vacant Sale Units	5,769	

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Vacant Rental Units	8,207	
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### Medical Providers

This attribute provides an indicator of availability of medical care for military and DoD civilians in the local community. The table reflects the raw number of physicians/beds and ratio of physicians/beds to population.

	# Physicians	# Beds	Population	
Local Community	2,900	2,018	1,178,116	Basis: 3 of 3 counties
Ratio	1:406	1:584		
National Ratio (2003)	1:421.2	1:373.7		

### Safety/Crime

The local community's Uniform Crime Reports (UCR) Index for 2002 per 100,000 people and the national UCR based on information from the Federal Bureau of Investigation (FBI) for 2002:

Local UCR	1,459.2	Basis: 3 of 3 counties
National UCR	4,118.8	

### Transportation

Distance to an airport shows convenience and availability of airline transportation. Public transportation shows potential for members and DoD civilians to use it to commute to/from work under normal circumstances and for leisure.

Distance from TOOELE ARMY DEPOT to nearest commercial airport: 37.1 miles  
 Is TOOELE ARMY DEPOT served by regularly scheduled public transportation? Yes

### Utilities

This attribute identifies a local community's water and sewer systems' ability to receive 1,000 additional people.

Does the local community's water system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes

Does the local community's sewer system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes

# IJCSG - Munitions / Armaments Capacity Report

Function	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity Required To Surge*	Capacity Available to Surge/Excess Capacity*
<b>MUNITIONS DEMILITARIZATION</b>						
	ANNISTON ARMY DEPOT	23,670.0	2,281.0	23,670.0	0	21,389.0
	BLUE GRASS ARMY DEPOT	10,608.9	971.3	13,060.6	0	12,089.3
	CRANE ARMY AMMUNITION ACTIVITY	6,302.7	2,861.6 <sup>①</sup>	6,850.7	0	3,989.1
	HAWTHORNE ARMY DEPOT	38,049.2	0.0	38,049.2	0	38,049.2
	IOWA AAP	749.2	730.2	749.2	0	19.0
	KANSAS ARMY AMMUNITION PLANT	376.0	7.0	393.0	0	386.0
	LAKE CITY AAP	182.0	161.0	243.0	0	82.0
	LETTERKENNY ARMY DEPOT	3,957.3	491.7	7,522.9	0	7,031.2
	LONE STAR AAP	1,178.0	758.3	2,142.6	0	1,384.3
	MCALESTER AAP	11,551.0	788.0	11,551.0	0	10,763.0
	PINE BLUFF ARSENAL	12.0	0.4	10.6	0	10.2
	RED RIVER ARMY DEPOT	6,798.5	224.4	8,158.2	0	7,933.8
	TOOELE ARMY DEPOT	11,416.0	584.2	51,388.0 <sup>②</sup>	0	50,803.8

\* Capacity is measured in short tons.

Report Date: Thursday, April 21, 2005

Database Date: April 18, 2005

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① Roughly 6,000 tons per year  
② don't understand how Tooele can have a capacity of 51,388 tons. Page 1 of 1

# *IJCSG Summary Military Value Report for Munitions*

*Activity:*

*Score:*

*Demilitarization*

HAWTHORNE ARMY DEPOT	0.8181
TOOELE ARMY DEPOT	0.7257
MCALESTER AAP	0.6995
LETTERKENNY ARMY DEPOT	0.4704
BLUE GRASS ARMY DEPOT	0.3104
CRANE ARMY AMMUNITION ACTIVITY	0.2971
RED RIVER ARMY DEPOT	0.1671
IOWA AAP	0.1420
ANNISTON ARMY DEPOT	0.1205

*Database Date: 4/18/2005*

*Page 1 of 2*

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## *IJCSG Summary Military Value Report for Munitions*

<i>Activity:</i>	<i>Score:</i>
PINE BLUFF ARSENAL	0.0078
KANSAS ARMY AMMUNITION PLANT	0.0074
LONE STAR AAP	0.0071
LAKE CITY AAP	0.0006

# *IJCSG Summary Military Value Report for Munitions*

*Activity:*

*Score:*

## *Storage and Distribution*

MCALESTER AAP	0.6168
HAWTHORNE ARMY DEPOT	0.5789
CRANE ARMY AMMUNITION ACTIVITY	0.4131
RED RIVER ARMY DEPOT	0.3298
TOOELE ARMY DEPOT	0.3282
SIERRA ARMY DEPOT	0.2879
BLUE GRASS ARMY DEPOT	0.2607
LOUISIANA AAP	0.2441
ANNISTON ARMY DEPOT	0.1803
LETTERKENNY ARMY DEPOT	0.1671

*Database Date: 4/18/2005*

*Page 1 of 2*

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## *IJCSG Summary Military Value Report for Munitions*

<i>Activity:</i>	<i>Score:</i>
UMATILLA CHEM DEPOT	0.1280
MILAN AAP	0.1117
IOWA AAP	0.0642
PINE BLUFF ARSENAL	0.0409
RADFORD AAP	0.0377
LAKE CITY AAP	0.0375
PUEBLO CHEM DEPOT	0.0332
DESERET CHEMICAL DEPOT	0.0268
KANSAS ARMY AMMUNITION PLANT	0.0231
NEWPORT CHEM DEPOT	0.0205
LONE STAR AAP	0.0090
HOLSTON AAP	0.0024

# IJCSG - Munitions / Armaments Capacity Report

<i>Function</i>	<i>Site</i>	<i>Current Capacity*</i>	<i>Current Usage*</i>	<i>Maximum Capacity*</i>	<i>Capacity Required To Surge*</i>	<i>Capacity Available to Surge/Excess Capacity*</i>
<b>MUNITIONS STORAGE</b>						
	ANNISTON ARMY DEPOT	3,296.4	2,293.9	3,296.4	0	1,002.5
	BLUE GRASS ARMY DEPOT	6,021.0	4,817.4	6,021.0	0	1,203.6
	CRANE ARMY AMMUNITION ACTIVITY	8,020.8	5,721.3	8,020.8	0	2,299.5
	DESERET CHEMICAL DEPOT	909.0	709.0	909.0	0	200.0
	HAWTHORNE ARMY DEPOT	9,738.0	5,603.0	9,738.0	0	4,135.0
	HOLSTON AAP	405.8	90.6	405.8	0	315.2
	IOWA AAP	1,148.8	503.4	1,148.8	0	645.4
	KANSAS ARMY AMMUNITION PLANT	1,238.5	895.9	1,238.5	0	342.6
	LAKE CITY AAP	1,094.0	1,094.0	1,094.0	0	0.0
	LETTERKENNY ARMY DEPOT	3,613.4	2,472.2	3,613.4	0	1,141.2
	LONE STAR AAP	1,030.6	824.5	1,030.6	0	206.1
	LOUISIANA AAP	350.0	270.4	350.0	0	79.6
	MCALESTER AAP	10,637.1	6,522.0	10,637.1	0	4,115.1
	MILAN AAP	3,258.1	829.9	3,258.1	0	2,428.2
	MISSISSIPPI AAP	105.4	0.0	105.4	0	105.4
	NEWPORT CHEM DEPOT	11.6	11.6	11.6	0	0.0
	PINE BLUFF ARSENAL	4,192.2	3,794.4	4,192.2	0	397.8
	PUEBLO CHEM DEPOT	1,475.2	161.6	1,475.2	0	1,313.6

\* Capacity is measured in ksf

Report Date: Thursday, April 21, 2005

Database Date: April 18, 2005

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# IJCSG - Munitions / Armaments Capacity Report

Function	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity Required To Surge*	Capacity Available to Surge/Excess Capacity*
<b>MUNITIONS STORAGE</b>						
	RADFORD AAP	921.2	641.6	921.2	0	279.6
	RED RIVER ARMY DEPOT	2,747.6	1,732.9	2,747.6	0	1,014.7
	SIERRA ARMY DEPOT	5,649.5	1,019.0	5,649.5	0	4,630.5
	TOOELE ARMY DEPOT	5,239.6	3,265.0	5,239.6	0	1,974.6
	UMATILLA CHEM DEPOT	2,457.7	728.1	2,457.7	0	1,729.6

BRAC recommends.  
 How AD + Sierra to Tooele  
 $5,603 + 1,019 = 6.6m$  to move  
 Tooele has 1.9 available  
 where is 4.7m SF going?

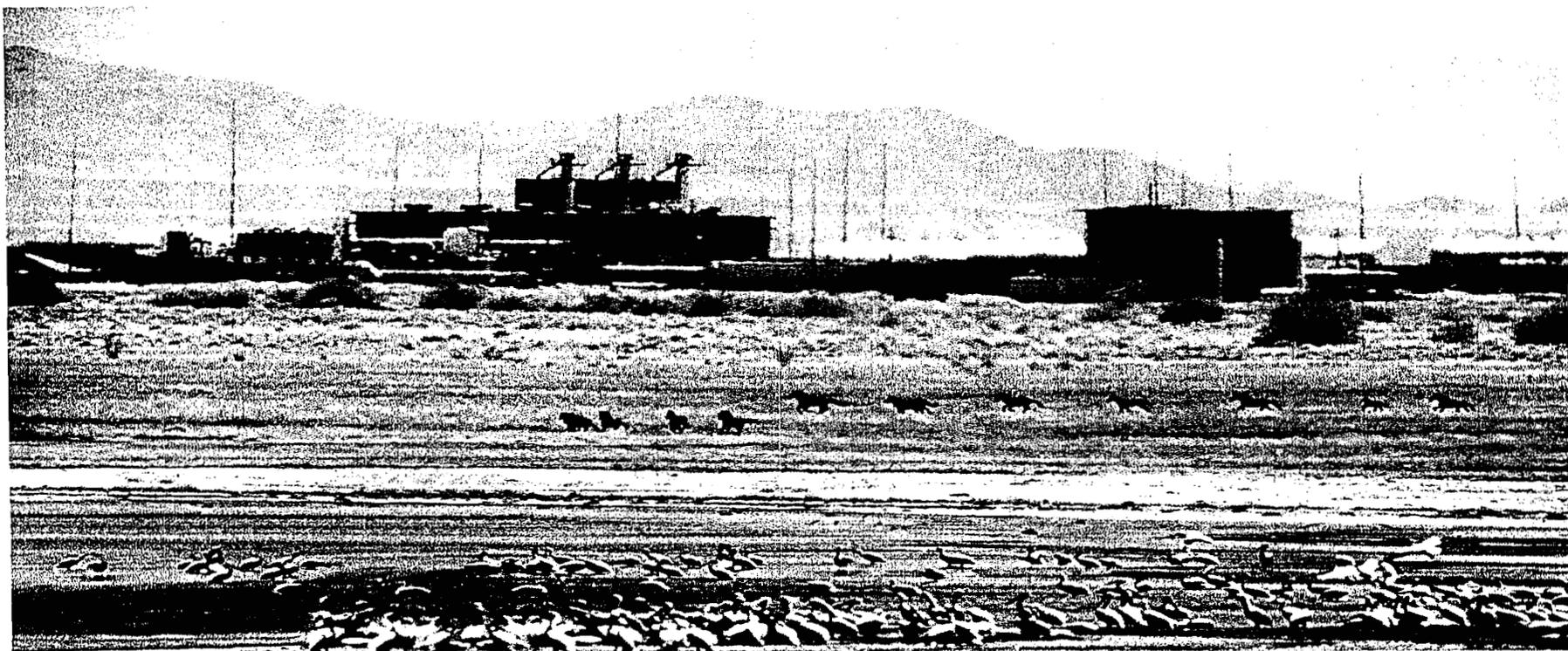
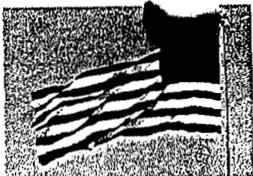
\* Capacity is measured in ksf

Report Date: Thursday, April 21, 2005

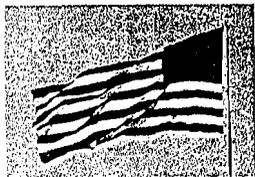
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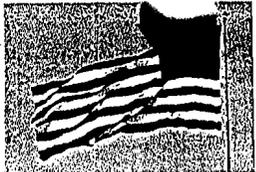


**Hawthorne Army Depot  
Attributes and Value Analysis  
– Army Ranking**



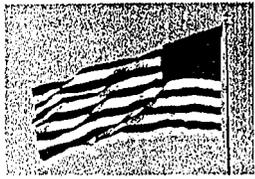
# Hawthorne Army Depot Attributes and Value Analysis

Army Ranking of Depots			
Location	Rank	Overall Score	Comments
Anniston Army Depot	25	3.0	
McAlister AAP	27	3.0	Tier I Depot with manufacturing of bombs.
Hawthorne Army Depot	37	2.97	Tier II Depot with no credit given for Production and Maintenance Facilities. Costs and efficiency numbers are out of line for GOCO.
Crane Army Depot	32	2.92	Tier I Depot with support by the Navy which is on BRAC List.
Tooele Army Depot	42	2.48	Tier I Depot with cost rank out of norm for a depot, chemical demil is absorbing costs; no training; no demil, just facilities and limited storage space.
Blue Grass Army Depot	45	2.34	Tier I Depot with no training and little future; cost rank out of norm for depot. Chemical demil/depot absorbing.



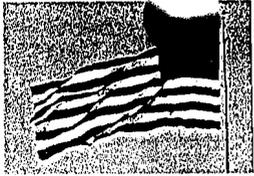
# Hawthorne Army Depot Attributes and Value Analysis

Army Ranking of Depots			
Capability	Rank	Overall Score	Comments
Training	26	2.87	<p>Multiple impact area and ranges for direct fire and indirect fire used by Naval Seals, Marines and Special Forces...Iraq/Afghan, urban and mountain/desert training areas...helicopter air assaults; airspace for weapons test range.</p> <p>No institutional education facility.</p> <p>No encroachment problems for training activities.</p>



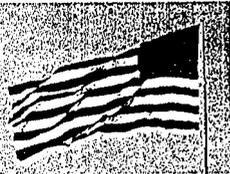
# Hawthorne Army Depot Attributes and Value Analysis

Army Ranking of Depots			
Capability	Rank	Overall Score	Comments
Future Options	12	5.56	<p>The Depot is the worlds largest with 147,000 acres with the majority of the land build able for expanded missions. The Depot is surrounded by BLM lands for future expansion of I.P. test ranges, training, magazines, brigade capacity, and vehicle storage.</p> <p>The Depot has a Title V air quality permit; no endangered species and no ground water problems (high desert). The Depot's water system is immense.</p> <p>No urban sprawl is anticipated; the town of Hawthorne is 130 miles from Reno and 300 miles from Las Vegas.</p> <p>We have a U.S. Highway that cross sections the Depot and a rail system capable of supporting all future needs.</p>



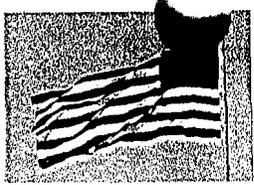
# Hawthorne Army Depot Attributes and Value Analysis

Capability	Rank	Overall Score	Comments
Projected Power	61	1.99	<p>Don't believe this number!</p> <p>Hawthorne is a Tier II Depot but during Desert Storm it shipped more than any other Depot. It has met all surges on time or ahead of time.</p> <p>Hawthorne does not store go to war stocks.</p>



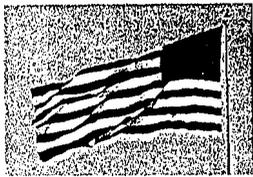
# Hawthorne Army Depot Attributes and Value Analysis

Capability	Rank	Overall Score	Comments
Material and Logistics	35	1.11	<p>The Carter Test Range on the Hawthorne Army Depot tests R &amp; D munitions and components as well as all up ballistic testing</p> <p>Hawthorne is currently testing new robotic security systems and has conducted RD &amp; E munitions demil projects (hot gas, propellant to fertilizer).</p> <p>Hawthorne Facilities were built to produce Navy cast explosive loads, fuel air explosives, load propelling charges, mines and torpedoes. Although we only have LAPed or renovated munitions in the near past all facilities are capable of production.</p>



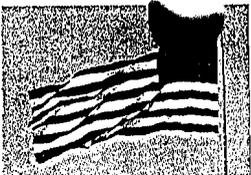
# Hawthorne Army Depot Attributes and Value Analysis

Capability	Rank	Overall Score	Comments
Cost – Efficient (continued)			<p>No joint facilities.</p> <p>The Depot is contractor operated; the current contractor was awarded a contract after the A76 completion. The current contract was awarded for 10 years. This bid was 3M per year less than the nearest competition.</p>



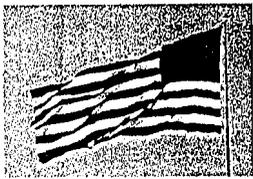
# Hawthorne Army Depot Attributes and Value Analysis

Capability	Rank	Overall Score	Comments
Cost – Efficient	86	3.65	<p>Don't Believe the Numbers – the score should be near 6.00.</p> <p>Hawthorne Army Depot is a large complex facility that employs nearly 550 employees. Its cost to ship, receive, and demil are the lowest of the depots.</p> <p>A diverse workforce is available; during Desert Storm we hired over 200 additional personnel in a two week period. The current workforce is experienced and relatively young (38 years is the average age).</p> <p>Hawthorne Army Depot is located in a relatively low cost area...generally wages are \$2 - \$5. low wages in Las Vegas, Fallon, and Reno, NV.</p>



# Hawthorne Army Depot Attributes and Value Analysis

Capability	Rank	Overall Score	Comments
Material and Logistics (continued)			<p>Hawthorne Army Depot has large storehouses that store equipment, supplies &amp; components. Future inside storage will be for DLA mercury.</p> <p>There is unlimited outside storage.</p> <p>Hawthorne Army Depot has 8,000,000 square feet of ammunition storage...the depot believes in cube storage in lieu of square footage storage practices.</p> <p>The Depot has 70 plus sites (open storage) available for open storage of munitions items.</p>



# Hawthorne Army Depot Attributes and Value Analysis

Capability	Rank	Overall Score	Comments
Material and Logistics (continued)			<p>Hawthorne Army Depot does renovation and maintenance of munitions and munitions components. The latest has been 300,000 each 105mm, MICLIC (linear charges) and 155mm projectiles.</p> <p>Hawthorne Army Depot has partnered with the industry to demil 750 lb bombs to recover TNT; with a private company to train security forces (CID, FBI, etc.) and with a private company to load, assemble, and pack FMU 139 A/B bomb fuzes for the Navy and Air Force.</p> <p>Hawthorne Army Depot is currently partnering with the Navy to decontaminate their test ranges and with the Marines, Navy and Reserves for tra g.</p>



**HAWTHORNE ARMY DEPOT  
EMPLOYEE TOTALS  
2003**

EMPLOYEE TYPE	NUMBER
Total Officer	2
Total Warrant	0
Total Enlisted	72
Total Military	74
Total USD	45
Total Other	448
Total Civilians	493
TOTAL POPULATION	567

**Hawthorne Army Depot BRAC  
Questions/Concerns BRAC Commission June 8, 2005**

<b>HWAD CONCERNS / COMMENTS</b>		
<b>COMMENT</b>	<b>QUESTION / CONCERN</b>	<b>ANALYSIS</b>
According to BRAC the effect on personnel closing HWAD is 74 military, 45 civilian, 80 contractor (total 199).	When was the data collected and certified? What data time frame for the collection?	Time frame appears to be when the 73 Army Reserves were providing additional security for HWAD following 9/11/2001. The 2003 IMA Report had 74 military, 45 civilian, and 448 others for a total of 567. Currently there is 1 military, 45 civilian and 539 contractor jobs.
	What is considered a direct job?	HWAD has 585 people who will lose jobs.
	Why did DoD measure the employment displacement resulting from HWAD closure to the employment of the Reno/Sparks Metropolitan Statistical Area, and determined that the loss of jobs represents less than .1% of the total employment?	Mineral County is located 133 miles from the Reno/Sparks area. This is a 2 hour 15 minute commute. People will leave Mineral County rather than commute to other locations.
	Why wasn't Hawthorne or Fallon used to calculate the Employment Displacement?	Hawthorne is 2 miles from the depot and houses 95% of the workforce. Fallon is the largest metropolitan area nearest HWAD – 70 miles.
	Is the Commission aware that there are only 1,860 jobs in Mineral County?	Direct job loss is 31%.
	Why aren't indirect job losses included in the analysis?	Total (indirect) jobs to community using .63 factor is 970 jobs (50% of jobs in Mineral County).
	Did the DoD consider that there are no other employment opportunities in Mineral County?	HWAD is the primary employer. Secondary employers include the El Capitan Casino and Mineral County.

HWAD CONCERNS / COMMENTS		
COMMENT	QUESTION / CONCERN	ANALYSIS
	Does the DoD realize the financial input HWAD provides the local community?	Annual Payroll - \$16.6 million; Subcontracts & Purchases 10/2004 to 3/2005 - \$5.9 million (\$5.3 million (89%) to small business, women owned, disadvantaged, veteran owned, etc.).
According to BRAC the cost to close HWAD and move mission to Tooele Army Depot is \$180 million.	Where are the costs to ship CAT I,II, and other explosives to other locations for storage?	Relocation of 218,000 tons of munitions, inert material, and IPE to a new location. \$39m shipping, \$20.4m transportation, \$21.3m receipt. (\$80.7 million)
	How was the cost to close HWAD calculated?	The services of shipping, storage, surveillance, receiving, demilitarization, accountability, etc will still have to be performed, simply relocated to another installation. The only true savings will be the Base Operations Costs, approximately \$20 million per year. The cost to close HWAD will be approximately \$1.2 billion and require ten years to reconstruct the HWAD capabilities..
	Were the costs to close and relocate tenants included?	Estimate to relocate the Navy NUWES and Marine Corp Weapons Testing - \$10 million
	Was the cost to demilitarize the HWAD obsolete stocks considered?	130,000 tons stored at HWAD - \$151million
	Was the cost to demilitarize other stocks (to make room for the relocated stocks from HWAD considered)?	170,000 tons of munitions (relocated from HWAD) - \$198 million
	Were the costs to build new magazines at Tooele to house 170,000 tons of munitions considered?	170,000 tons X 10 sqft/ton = 1,700,000 square feet. 1,700,000 sqft / 1,700 sqft/magazine = 1,000 magazines 1,000 magazines X \$500,000 mil/magazine = \$500 million.
	Were costs to reconstruct the HAWD demilitarization capabilities at TEAD considered?	Duplication of WADF capabilities at Tooele or other depots \$157 million. May not be possible with Tooele's limited storage space.

HWAD CONCERNS / COMMENTS		
COMMENT	QUESTION / CONCERN	ANALYSIS
	Was the time required for the environmental permitting at Tooele considered?	Environmental permitting will require 5 to 7 years. Tooele will not be able to qualify for the environmental permits without being considered as a major source of pollution.
According to BRAC HWAD does not maintain or produce munitions.	Were the resources at HWAD (facilities, equipment, skilled personnel, etc) considered?	HWAD has production facilities which meet explosive quantity distances. Personnel with experience handling explosives in production operations.
	Does the current HWAD IDIQ contract include CC E to A upgrades, renovations, or maintenance requirements?	Yes. Currently renovating 105 MM. Have performed renovations of MICLICs, 155 MM projectiles, 81MM and 60MM mortars, 4.2 cartridges, dragon Anti-Tank, bombs, etc.  HWAD has provided bulge plate testing for Puget Sound which includes pour charges and support for the bulge plate testing.  HWAD has performed CCE to CCA upgrades on bombs, mortars, mines, projectiles, and inert components of all types.
	Does HWAD have Load Assembly and Pack facilities?	HWAD has several facilities (including explosive cells isolated or remote operations) which can easily be adapted to LAP operations, including facilities.
	Is HWAD capable of performing LAP or production operations?	HWAD has filled AQM target drones, LAP'd bomb fuzes, demolition charges, HARMS, and pressed boosters, etc.
According to BRAC the HWAD capabilities and functions will be transferred to Tooele AD	Does the Army Depot System have enough space to handle the HWAD assets (218,000 tons / 2.2 million sqft) which includes 170 tons of explosives, plus the War Reserve S Ammunition –	According to the PEO Ammunition all Army depot storage will be full by 2007, including the storage space at HWAD.  According to the PEO Ammunition the available empty

HWAD CONCERNS / COMMENTS				
COMMENT	QUESTION / CONCERN	ANALYSIS		
	Korea and the Southwest Asia returns (approximately 500,000 to 600,000 tons).	explosive space from all Army Depots is 8 million sqft. HWAD has 4 million sqft of empty explosive storage space. After relocating the 170,000 tons of munitions from HWAD at the other depots, and closing HWAD the Army will have approximately 2.3 million sqft to store 600,000 tons of munitions.		
	Does Tooele have the demilitarization facilities in place to handle all of the MIDAS families?	<table border="0"> <tr> <td style="vertical-align: top;"> <p>Tooele Capabilities</p> <ul style="list-style-type: none"> <li>• Rotary Furnace</li> <li>• Open Burn/Open Detonation</li> </ul> </td> <td style="vertical-align: top;"> <p>HWAD Capabilities</p> <ul style="list-style-type: none"> <li>• Preparation facilities (saws, pull-a-part)</li> <li>• Rotary Furnace</li> <li>• Open Burn/Open Detonation</li> <li>• Melt-out/Wash-out</li> <li>• Hot Gas Decontamination</li> <li>• Plasma Ordnance Destruction System</li> <li>• Flashing Furnace</li> <li>• Range Scrap Processing</li> <li>• High Pressure Wash-out</li> <li>• Hot Water Wash-out</li> <li>• Water Treatment Facility Developing / In-Process</li> <li>• Slurry Gel</li> <li>• Propellant Incineration</li> <li>• MLRS/CEM Decasing</li> <li>• Cryofracture</li> <li>• Static Rocket Firing</li> </ul> </td> </tr> </table>	<p>Tooele Capabilities</p> <ul style="list-style-type: none"> <li>• Rotary Furnace</li> <li>• Open Burn/Open Detonation</li> </ul>	<p>HWAD Capabilities</p> <ul style="list-style-type: none"> <li>• Preparation facilities (saws, pull-a-part)</li> <li>• Rotary Furnace</li> <li>• Open Burn/Open Detonation</li> <li>• Melt-out/Wash-out</li> <li>• Hot Gas Decontamination</li> <li>• Plasma Ordnance Destruction System</li> <li>• Flashing Furnace</li> <li>• Range Scrap Processing</li> <li>• High Pressure Wash-out</li> <li>• Hot Water Wash-out</li> <li>• Water Treatment Facility Developing / In-Process</li> <li>• Slurry Gel</li> <li>• Propellant Incineration</li> <li>• MLRS/CEM Decasing</li> <li>• Cryofracture</li> <li>• Static Rocket Firing</li> </ul>
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	Is Tooele able to receive 200,000 to	Tooele has a total of 1.9 million sqft of explosive storage,		

**HWAD CONCERNS / COMMENTS**

COMMENT	QUESTION / CONCERN	ANALYSIS
	218,000 tons of munitions, components and equipment?	with a total capacity of approximately 190,000 tons. Tooele is currently storing munitions outside (under a waiver) because they have exceeded their storage capacity.
	Is Tooele able to obtain environmental permits for the new capabilities transferred from HWAD?	Environmental costs for the permit process at Tooele have not been adequately considered by the BRAC Commission. According to the Utah Governor, Utah State EPA, and Region 9 EPA Utah could have difficult challenges to modify a Minor Source to a Major Source Title V Air Permit may be insurmountable.
	The DLA intended to store 4,890 tons of strategic stock Mercury at HWAD. Has a new location been determined for the Mercury?	A new location has not been determined.
According to BRAC HWAD is unable to receive and off-load munitions because of unserviceable rail conditions.	What is considered unserviceable rail conditions?	HWAD has had 3 minor wash-outs of small sections of rail in the last 25 years, in 270 miles of railroad. The main line servicing HWAD is maintained by HWAD at FRA Class II standards. HWAD has not missed a receipt or shipment because the rail line was unavailable.
	Has any other depot ever been closed because of weather?	HWAD has never been closed because of weather (including snow, floods, cold, etc.). HWAD is accessible from the South, East and North by truck. HWAD is located adjacent to a 6,000 foot air strip.
	Does the DoD realize that a majority of the shipments are made from depot by truck?	Most shipments are made by truck because of HWAD's location and ready access to the West Coast ports and training facilities is an overnight delivery by truck.
According to BRAC installations must be multi-	Is providing demilitarization, storage, surveillance, security, production,	HWAD provides the complete range of conventional munitions requirements for storage services,

HWAD CONCERNS / COMMENTS		
COMMENT	QUESTION / CONCERN	ANALYSIS
functional for production, demilitarization, storage, and HWAD is not multi-functional.	munitions function testing, housing, environmental clean-up, chemical lab analysis, and general support for all services considered multi-functional?	demilitarization, LAP, and renovation.
	Does HWAD have Troop Training capabilities?	HWAD has a revolving contingent of Navy SEALs who have been using the mountain, desert, and water training capabilities of HWAD. HWAD has a revolving cadre of Marine Corp Snipers from Pickle Meadows who train on the High Angle Firing Range. The Marines used HWAD in 2005 to train 1,000 troops for High Desert and Mountain Warfare.
	Is supporting storage and disposal of equipment (IPE) for the Army, DLA, Air Force, and Navy considered multi-functional?	HWAD routinely provides support for all of the DoD services. The DLA is planning to store 4,890 tons of Strategic Stockpile Mercury.
	Does HWAD provide specialized services that customers cannot find elsewhere?	HWAD is developing a program to prepare pre-staged munitions packages for the Navy to provide on-demand delivery of Carrier Group Munitions Packages (surge response) to the Carrier Groups docking at Indian Island.  HWAD is providing Range Scrap Processing for the Navy in response to a major environmental problem the Navy is having on all of its west coast testing and bombing ranges.
Is HWAD severely underutilized?	Is the storage space at HWAD underutilized at 50% capacity?	HWAD has 8 million square feet of explosive storage space; this is 4 times the total explosive space at Tooele, including the storage space which will be received from Desert Chemical Depot over the next several years.

<b>HWAD CONCERNS / COMMENTS</b>		
<b>COMMENT</b>	<b>QUESTION / CONCERN</b>	<b>ANALYSIS</b>
		The HWAD contractor has to pay Possessory Use Tax. There is an incentive for the contractor to make the best use of storage space, and to think in terms of cubic space (and tonnage which will fit) rather than square feet. The munitions currently in storage at HWAD (approx 300,000 tons) could be spread out filling the storage space. Is this under utilization or good storage practices.
	Does the HWAD demilitarization program operate at 15 - 20% of capacity?	The Western Area Demilitarization Facility (WADF) has an annual through-put capacity of over 40,000 tons per year. The annual production is approximately 6,000 to 8,000 tons per year. Is this under utilization or lack of demilitarization funding.
	Does the HWAD Shipping and Receiving Depot Operations operate at below capacity?	HWAD is currently operating at about 35% of the installation capability, at 26,000 tons per year, because of the lack of high turn-over assets.  Prior to 2000 HWAD shipped and received an average of approximately 70,000 tons of munitions per year. HWAD has the infrastructure to ship 188 containers per day (Mobilization Schedule of 2,400 tons per day).







**DEPARTMENT OF THE ARMY**  
HAWTHORNE ARMY DEPOT  
1 SOUTH MAINE AVENUE  
HAWTHORNE, NV 89415-9404

REPLY TO  
ATTENTION OF

SMJHW-CO

3 June 2005

MEMORANDUM THRU COL Gary B. Carney, Commanding, SJMMC-CO, MCAAP, 1 C Tree Road, McAlester, OK 74501

THRU BG Robert M. Radin, Commanding General, HQ JMC, 1 Rock Island Arsenal, Rock Island, IL 61299

FOR Mr. Robert McCreary, Deputy Director of Communications, BRAC Commission

SUBJECT: BRAC Commission Visit Request

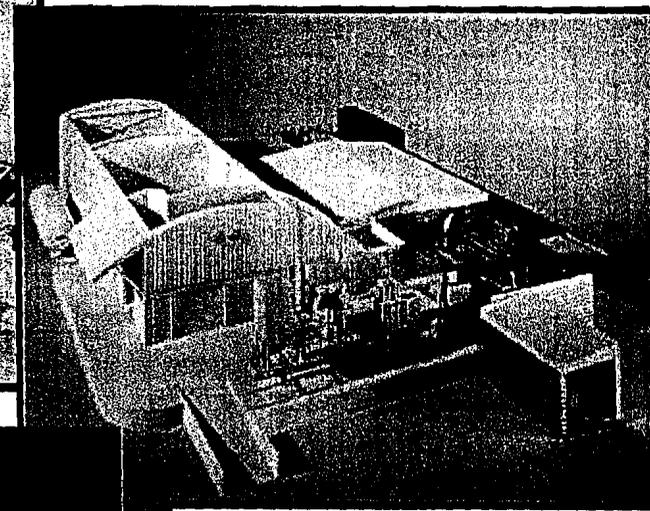
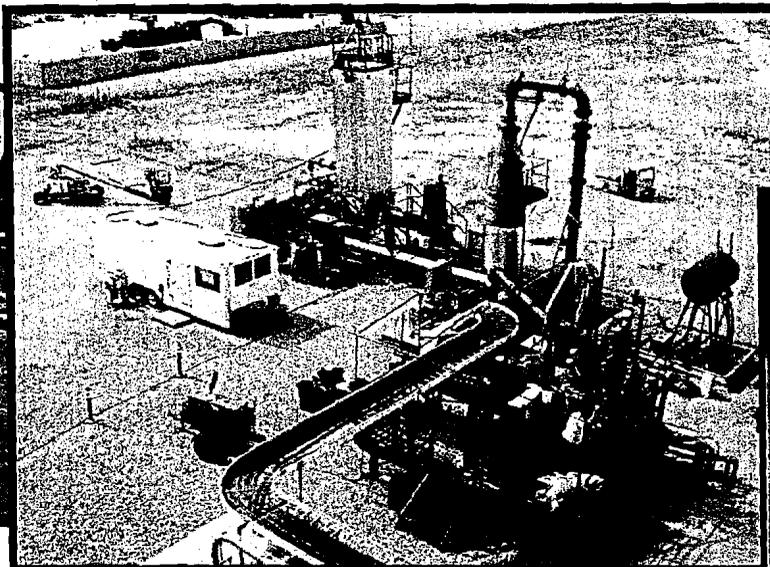
1. As the Commander of Hawthorne Army Depot (HWAD), I am officially requesting a BRAC Commission visit to the installation to meet with me and my government staff. I am making this request because HWAD was not officially included on the Commission's original schedule to visit effected bases losing more than 400 employees. The decision not to visit was apparently triggered by incorrect employment figures for Hawthorne Army Depot released by the BRAC study that showed only 199 employees being affected by the BRAC decision. In reality, and reported by certified data, 506 employees will lose their jobs by the closure of Hawthorne. I therefore respectfully request that a visit occur based on the actual employment figures that would have triggered a visit by members of the Commission and/or their staff. The visit will be in keeping with Army policy to ensure accurate data and public sensitivity is addressed during the BRAC process.
2. The employment figures are only one of several inconsistencies we discovered in the publicly released reports. It is our desire to ensure that the final decision is based on correct and accurate information to ensure the best decision is made in the interest of National Defense and military readiness.
3. Point of the contact is the undersigned, SJMHW-CO, (775) 945-7001.

  
JOHNNY M. SUMMERS  
LTC, OD  
COMMANDING





# Demilitarization Enterprise



## Update for the Global Demil Symposium

LTC Kevin Jennings  
PM Demilitarization  
10 May 2005



# PEO Ammo Organization



**PEO Ammunition**

BG Paul Izzo  
Mr. James Sutton

PEO  
DPEO



Washington, D.C.  
Team



Industrial Base  
Mr. Matt Zimmerman  
APEO



**Close Combat Systems**

COL Jack Koster PM

**Combat Ammo Systems - Indirect Fire**

COL Nate Sledge PM

**Maneuver Ammo System - Direct Fire**

COL Mark Rider PM

**Joint Services**

COL Jeff Gwilliam PM

Networked Munitions/  
Munitions /  
Countermine

Demolitions /  
Non-Lethal

Mortars

Excalibur

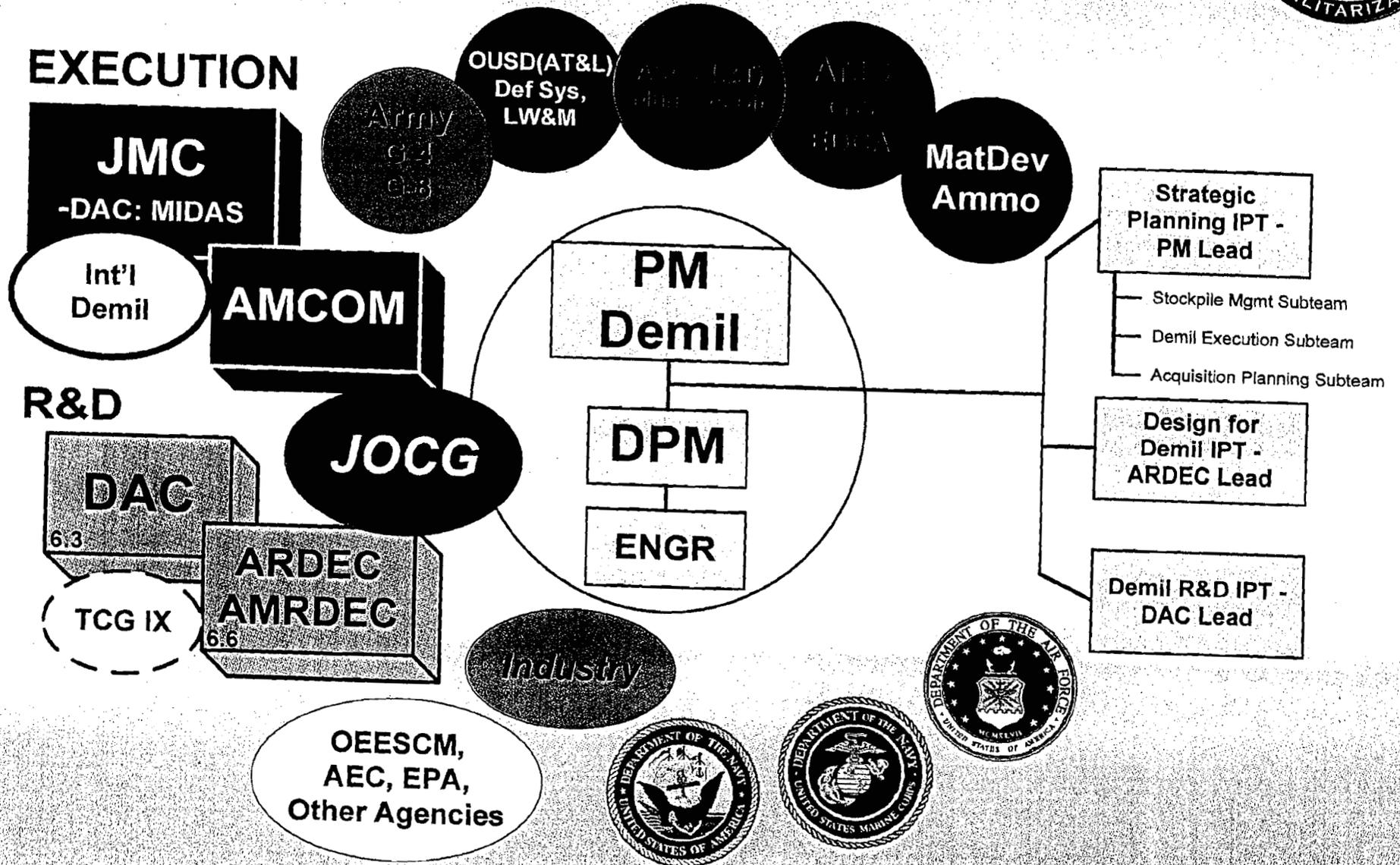
Large Caliber

Medium &  
Small Caliber

DEMI

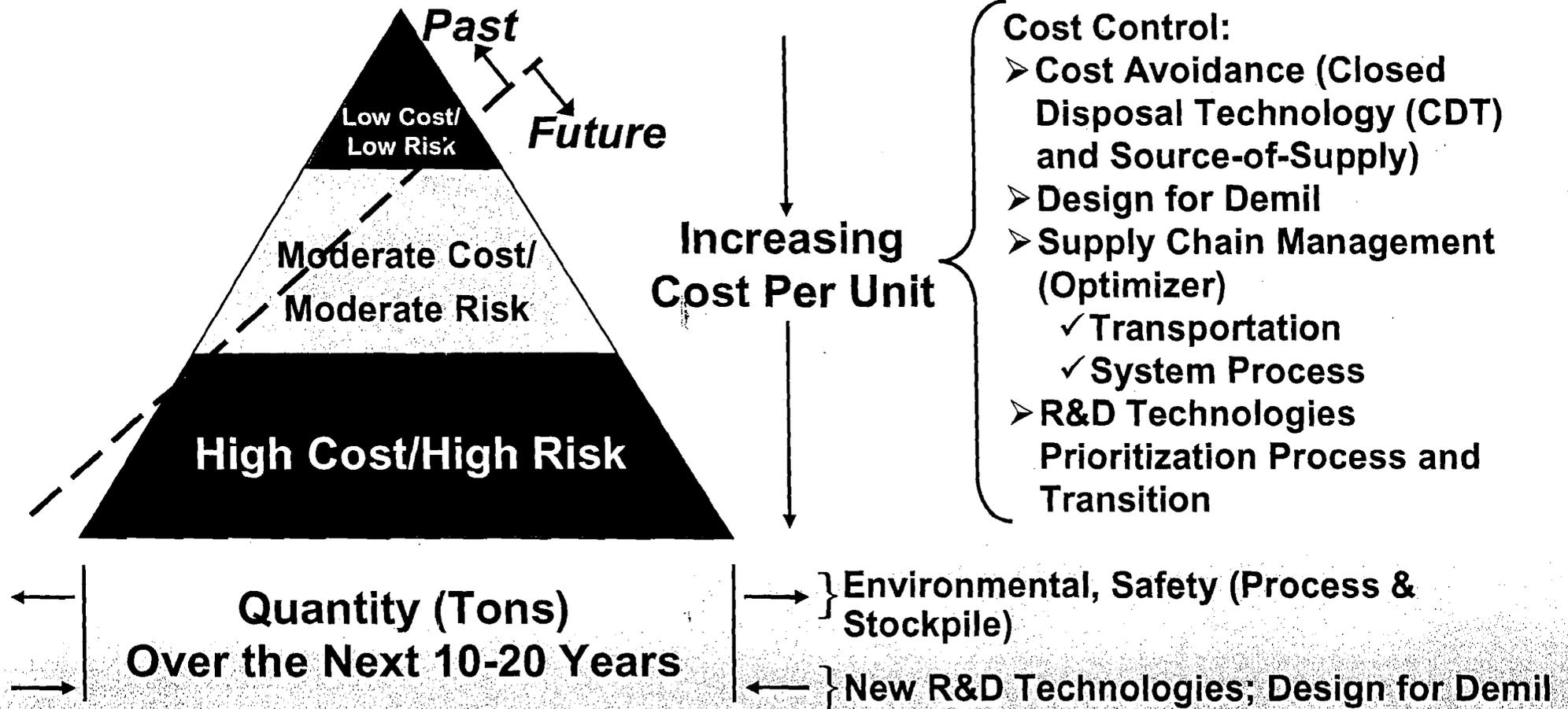


# The Demil Enterprise



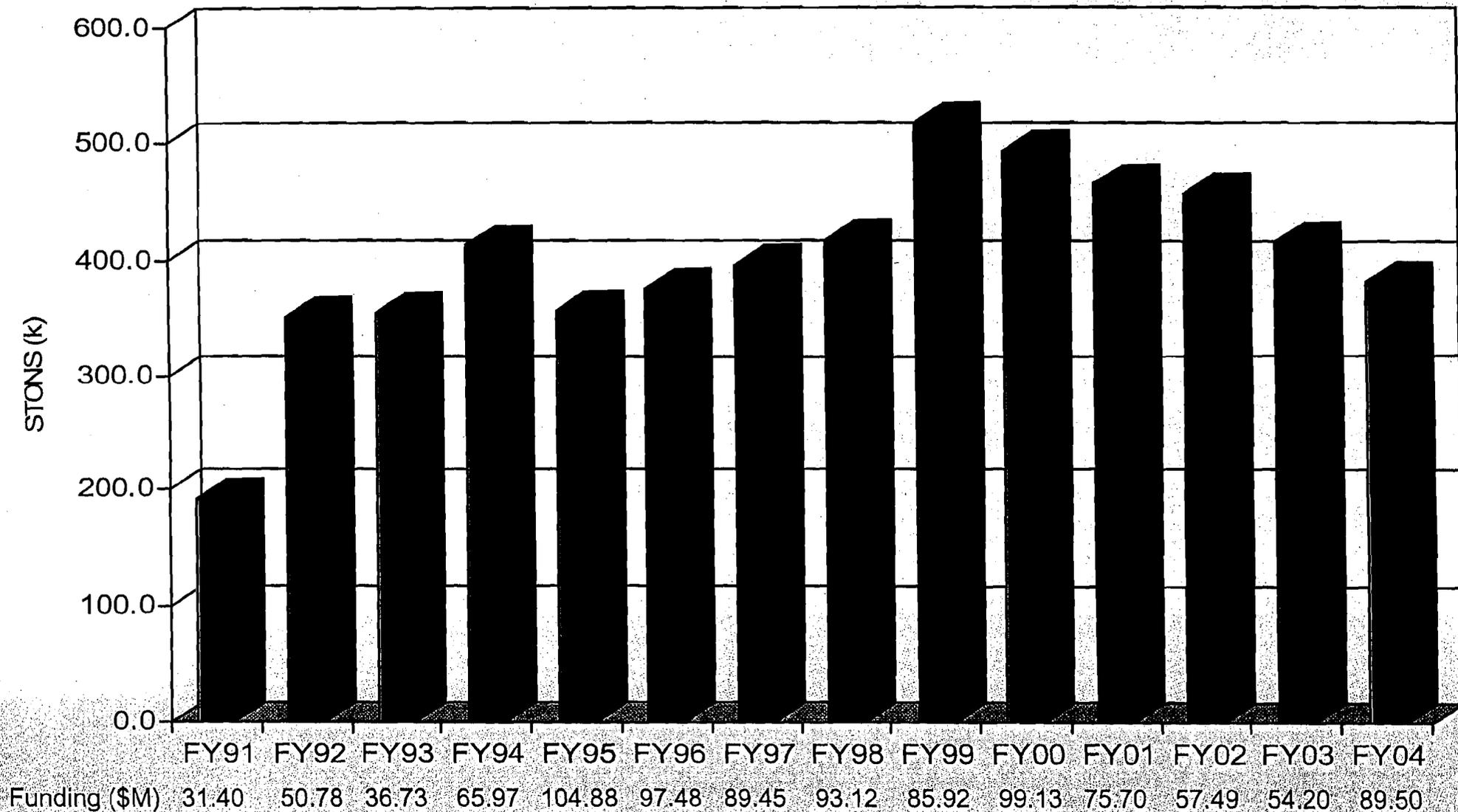


# Demilitarization Challenge



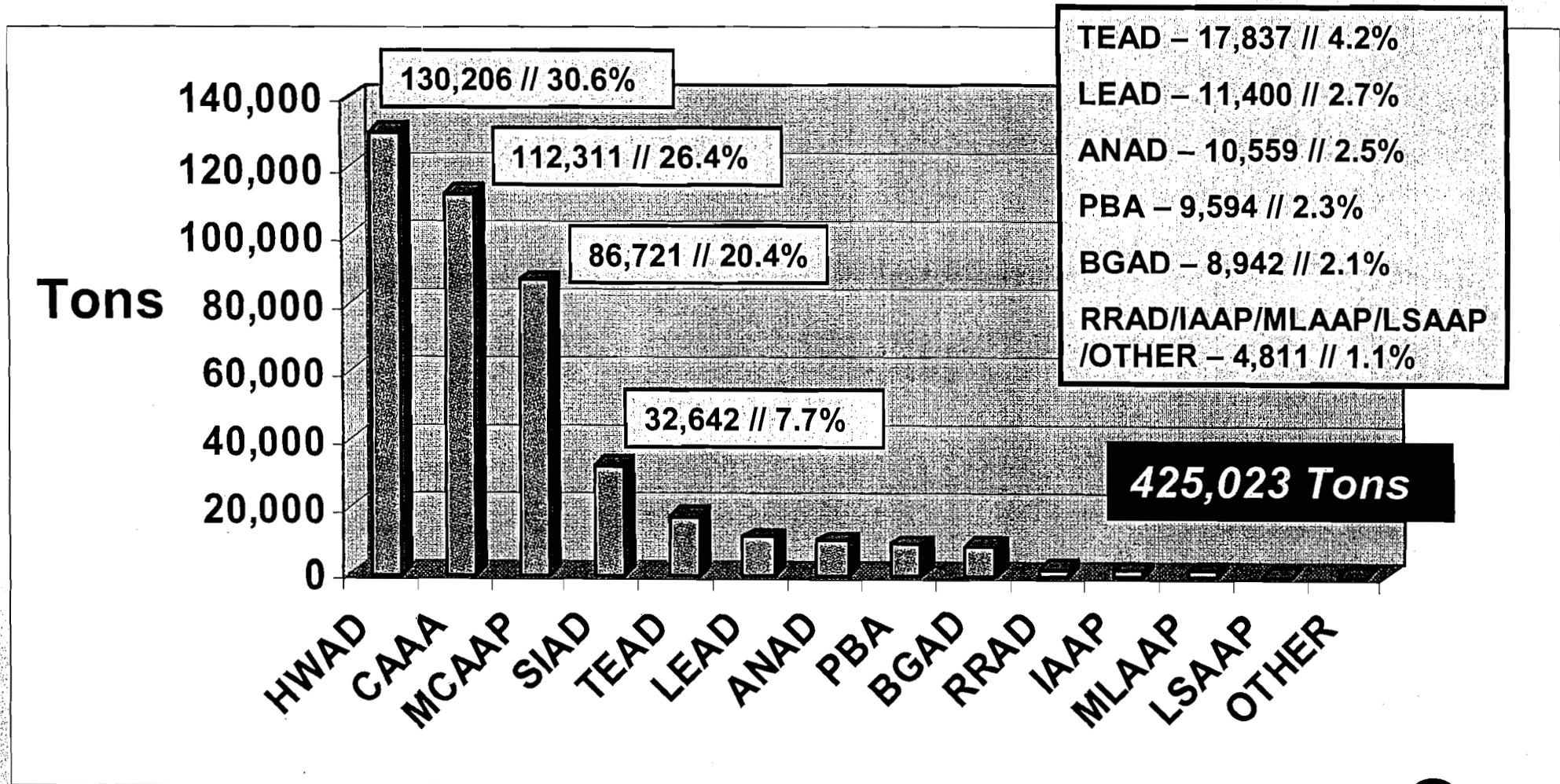


# Demil Stockpile History



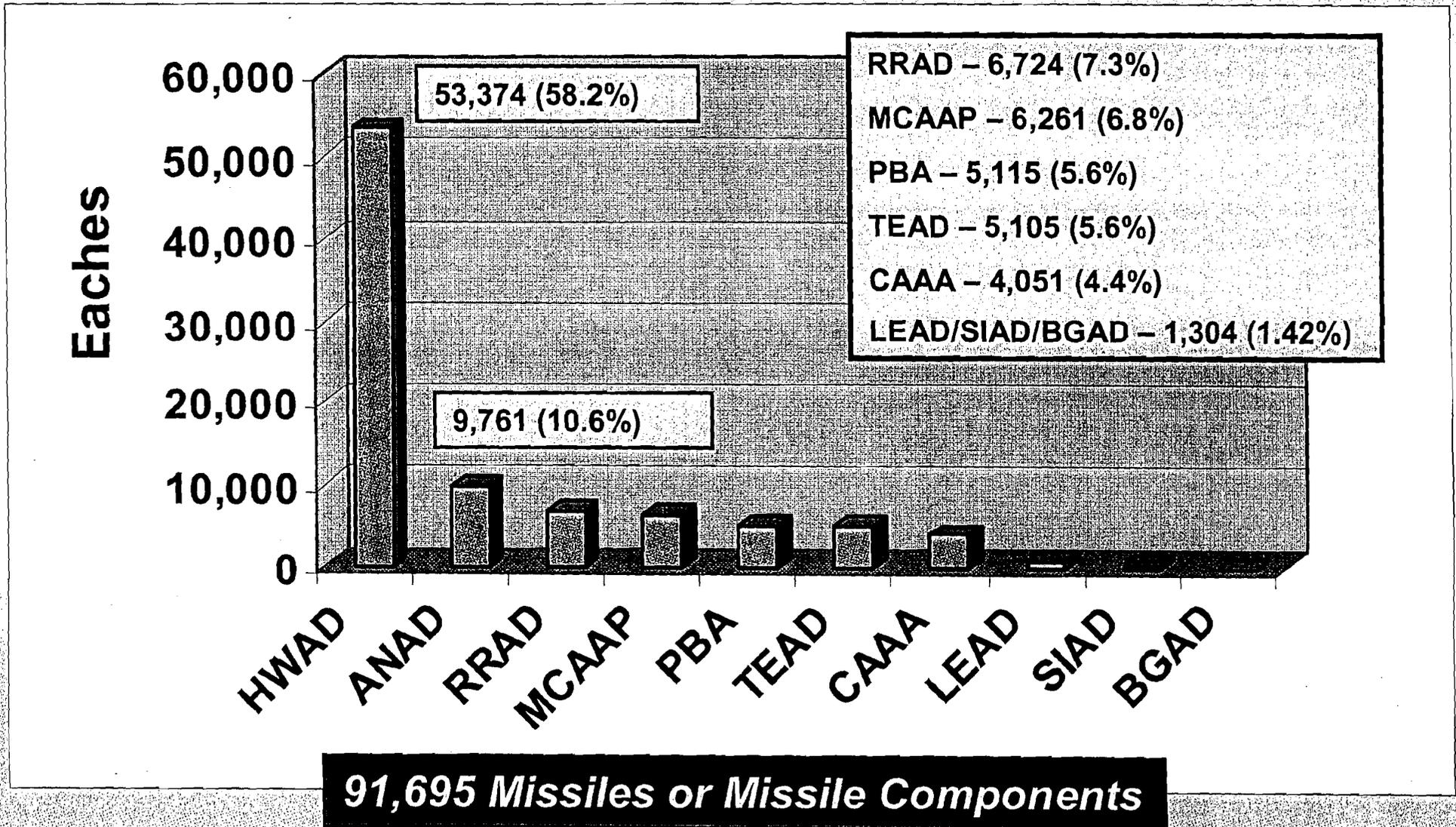


# CAD Stockpile Status 2QFY05 (thru Feb 05)





# Army Missiles Breakout 2QFY05 (thru Feb 05)



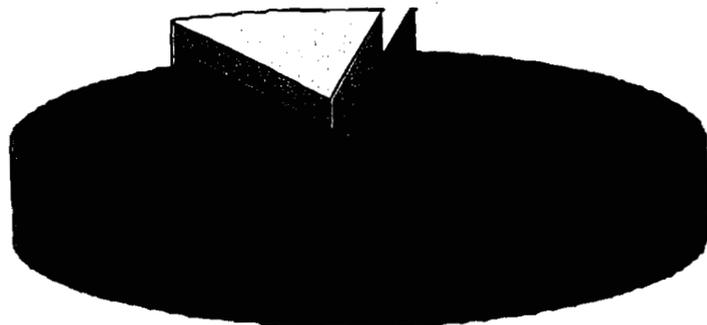


# Demil Stockpile Liability



**Current Conventional Ammo  
Demil (CAD) Stockpile:  
440,351 stons**

AF/N/MC      Army  
44,735      Missiles 929



SMCA  
394,687

**Current Army Missile  
Demil Stockpile: 91,922 eaches**

As Of: Ending 2QFY05

**CAD Liability \$1.339B**

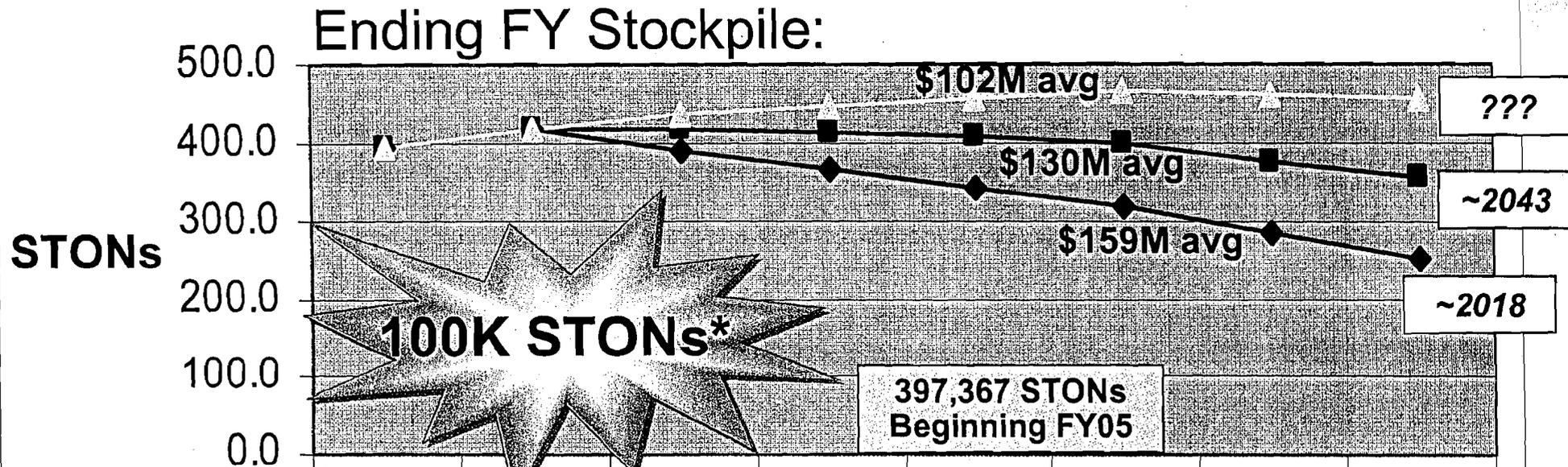
<b>SMCA</b>	<b>\$1.133B</b>
<b>Non-SMCA</b>	<b>\$0.206B</b>

**Missile Liability \$0.247B**

Estimated Ending FY04



# Will Funding Reduce Stockpile to Strategic Plan Goal?



	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
◆ 6% Goal	397.4	419.2	391.7	365.8	341.4	318.4	284.4	250.5
■ Critical	397.4	419.2	417.3	413.8	408.0	398.4	377.7	357.0
▲ Funded	397.4	419.2	436.2	448.5	458.5	465.6	461.8	458.8

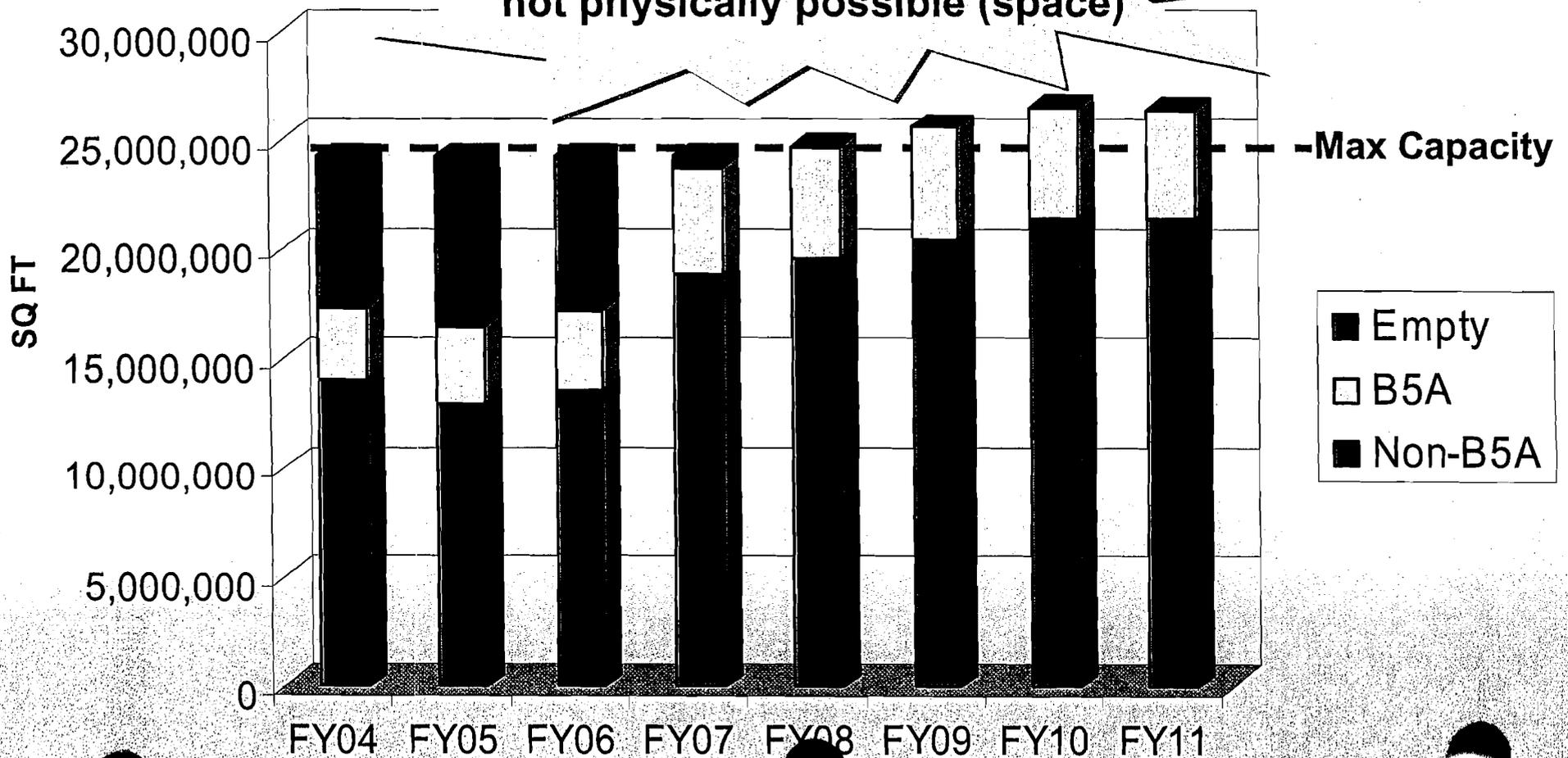
\* Manageable Level (100K STONs)



# Wholesale Depot Occupancy Profile by Fiscal Year

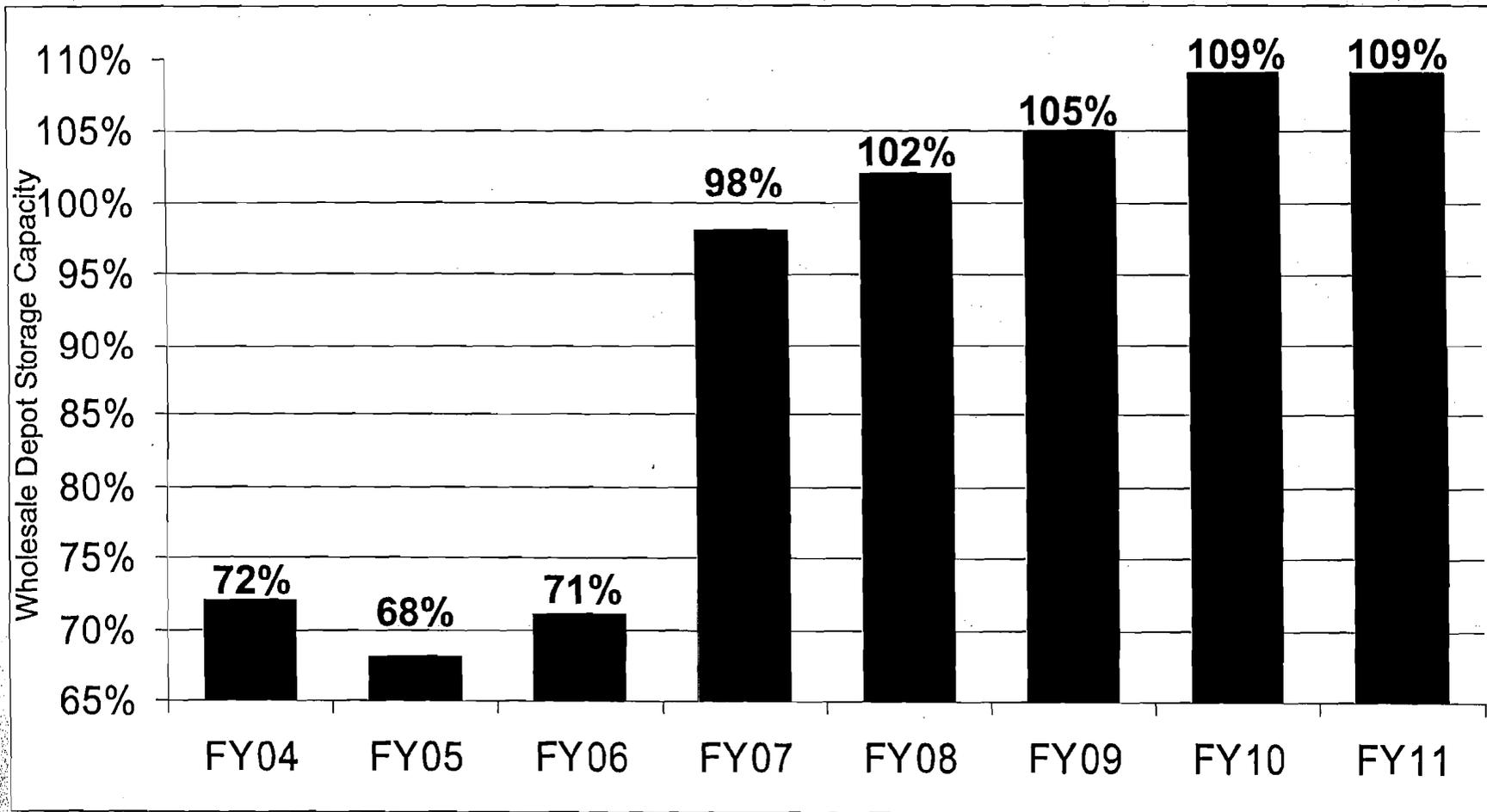


Storage fiscally possible (\$)   
 But   
 not physically possible (space)





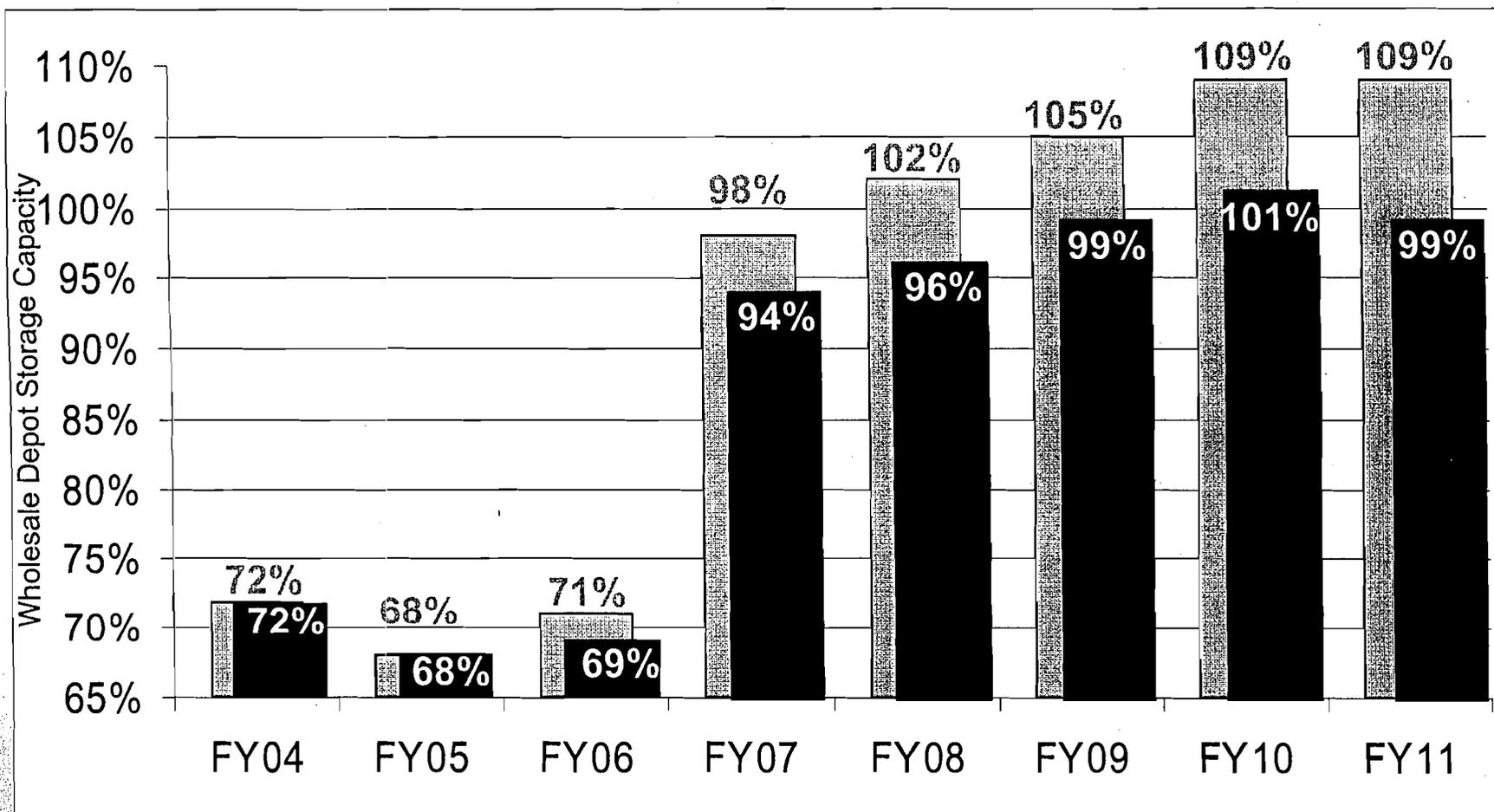
# Future Impact on Storage: POM Funded



■ Storage - Current Demil POM Funding Level



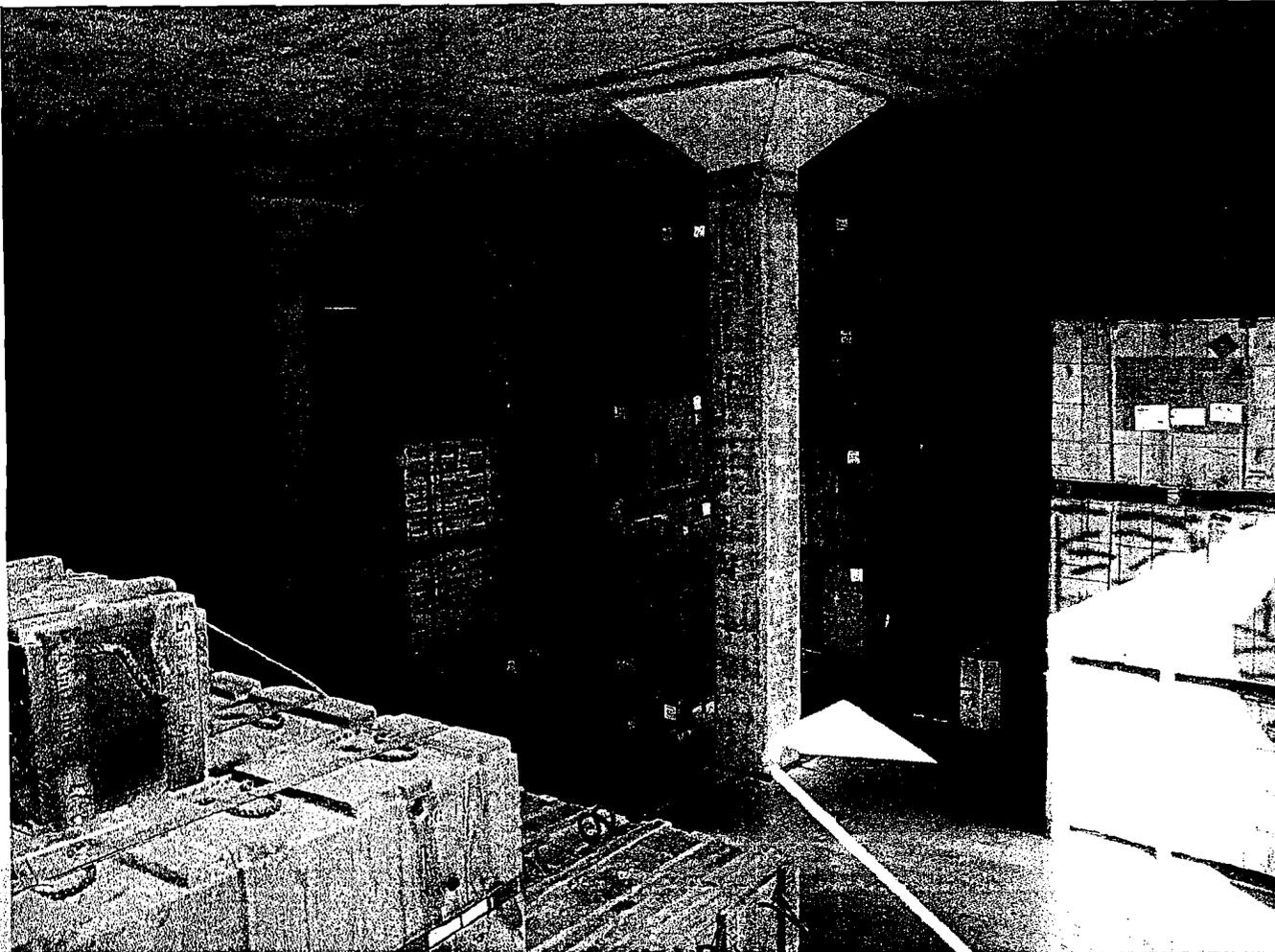
# Future Impact on Storage: POM Funded versus 6% Goal



■ Storage - Demil 6% Goal Funding Level    ▨ Storage - Current Demil POM Funding Level



# Typical Igloo at MCAAP



- Structure is 100' x 50' box type, earth covered magazine
- Full to capacity
- Combination Demil and serviceable stock
- Multiple single boxes/containers occupying single storage grids
- Volumetric loss of operational storage space due to small lot quantities typical of demil stocks



# Igloo Layout (Planograph)



	AA	BB	CC	DD	EE	FF	GG	HH	JJ	KK	LL	MM	NN	OO	PP	QQ	RR	SS	TT	UU
AA	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
BB	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
CC	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
DD	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
EE	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
FF	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
GG	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
HH	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
JJ	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
KK	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
LL	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
MM	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

Door

Door



Demil Stock



Go To War and Other Stock

**Max  
Capacity!**



# Innovative Demil Approach



**MILDEP Direction:**  
**Think**  
***Out-Of-The-Box***  
**to reduce the stockpile**

26 Jan 05

Burden on  
Depot Storage  
Facilities

Growing  
Liability  
\$\$\$

Warfighter  
Readiness  
Impact

**STOCKPILE**

**Currently:**

- 440K tons Conventional Ammo
- 92K missiles

**Potential Challenges:**

- Demil Requirements
- Contract Approach
- Other??

**Solicit Industry Help/Ideas**

- ✓ Reuse
- ✓ Recycle

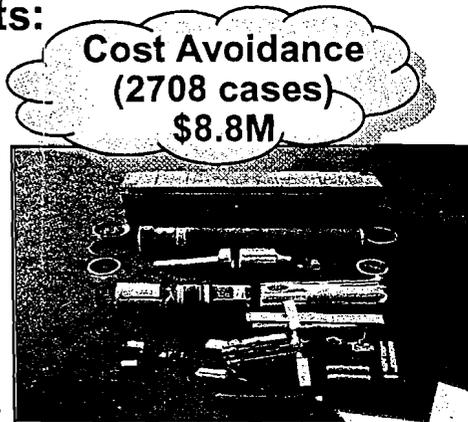


# Demil as a Source of Supply - Several Examples



## TOW Missile Components:

- Missile Case (FMS & US Production - 15K)
- Operation Iraqi Freedom (Retrograde Use)
  - Foam Cushion
  - End Caps
- Potential Reuse:
  - Launch Motor Nozzle
  - Coated Launch Motor Case



**Cost Avoidance  
(2708 cases)  
\$8.8M**

## TNT:

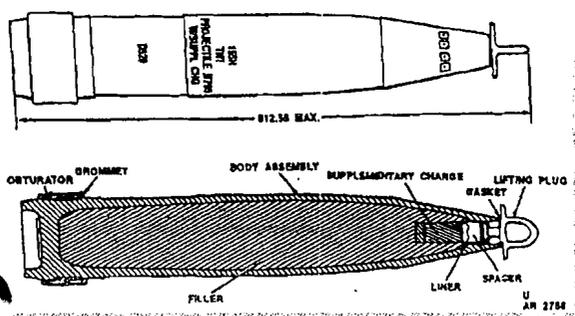
- 17M lb DOD requirement thru FY05
- Cost Savings \$40.2M – recycle rather than manufacture new
- As of March 05, 13.4M lbs used/available



**Known  
savings to date  
~ \$125M**

## Supplementary Charges:

- 8" & 105mm ammo reused in new 155m (M795 & M107) & 105mm (M927) projectiles
- As of March 05, cost avoidance: \$5.76M manufacturing; \$400K demil
- Projected savings (M795/M107): \$1.8M manufacturing; \$140K demil



## Depleted Uranium Penetrators:

- Reused in new M829A3 120mm tank & M919 25mm cartridges
- Approximately 137K in Demil account
- Cost savings ~\$3.37M



M829 120mm Armor Piercing, Fin Stabilized, Discarding Sabot-Tracer (APFSDS-T) cartridge with DU penetrator



# PM Demil Challenges



- Funding does not support strategic goals
- Funding and Program Impacts
  - ✓ Conventional mines demil
  - ✓ WRSA-K stocks termination
  - ✓ Non Go-To-War ammunition not in demil stockpile -- understated stockpile
  - ✓ SWA Captured Enemy Ammunition demil and SWA US stock rotation
- Storage capacity at depots
- Impact of Insensitive Munitions initiatives on demil process
- Material Developer/Service buy-in of Design for Demil Process
- Keeping demil cost (R3/Closed Disposal) affordable



# Summary



- Strategic Plan is the cornerstone to achieving DOD and Congressional stockpile objectives
- Continue partnering within the Demil Enterprise; improve business practices ... collaborative team effort
- Continue to develop and improve the demil capabilities, facilities, and technologies

***Super Job  
and  
Thanks For Your  
Continued  
Support!***

MIKE MCGINNESS  
SENATOR  
Central Nevada District



COMMITTEES:  
Chair  
Taxation  
Member  
Judiciary  
Natural Resources

HOME OFFICE:  
770 Wildes Road  
Fallon, Nevada 89406-7843  
Office: (775) 423-5889

# Nevada Senate

SEVENTY-THIRD SESSION

LEGISLATIVE BUILDING:  
401 S. Carson Street  
Carson City, Nevada 89701-4747  
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Fax No.: (775) 684-6522  
[www.leg.state.nv.us](http://www.leg.state.nv.us)

6/1/05

Shelly (Gina)

- Following is the Resolution opposing  
the BRAC Report.

- I will get you more information  
and the formal resolution.

Mike

SUMMARY—Urges Base Realignment and Closure Commission to reconsider and reject recommendations of Department of Defense concerning Naval Air Station Fallon, Nevada Air National Guard at Reno-Tahoe International Airport and Hawthorne Army Depot. (BDR R-1475)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

ASSEMBLY JOINT RESOLUTION—Urging the Base Realignment and Closure Commission to reconsider and reject the recommendations of the Department of Defense concerning Naval Air Station Fallon, Nevada Air National Guard stationed at Reno-Tahoe International Airport and Hawthorne Army Depot.

WHEREAS, The United States Department of Defense conducted base realignments and closures in 1988, 1991, 1993 and 1995, resulting in the closure of 97 major bases, the realignment of 55 major bases and the closure or realignment of 235 minor bases across the United States; and

WHEREAS, Congress authorized base realignments and closures for 2005 in the National Defense Authorization Act of 2002, and, on May 13, 2005, the Department of Defense issued its recommendations for closures and realignments; and

WHEREAS, Included in those recommendations are the proposed realignments of Naval Air Station Fallon and the Nevada Air National Guard stationed at Reno-Tahoe International Airport, and the proposed closure of Hawthorne Army Depot; and

WHEREAS, It is critical to the State of Nevada that the Base Realignment and Closure Commission reconsider and reject these recommendations as set forth by the Department of Defense; and

WHEREAS, The Department of Defense has recommended realignment of Naval Air Station Fallon which will result in the disestablishment of the Aircraft Intermediate Maintenance Department Fallon and the Naval Air Depot North Island Detachment Fallon; and

WHEREAS, The realignment of the Nevada Air National Guard, 152nd Airlift Wing, stationed at Reno-Tahoe International Airport, is tantamount to a closure in that the recommendation to move eight C-130H aircraft, the Guard's only planes, to another base, would leave the Guard's engineering, construction and supply units in Nevada, but significantly reduce the need for these units; and

WHEREAS, The removal of these planes will eliminate approximately 260 full-time military and civilian jobs, and will most likely cause 283 others who fulfill their traditional Air Guard duties at this station to lose their positions at the station; and

WHEREAS, Not only will the realignment leave the Guard with no flying mission, but it will leave Nevada's Adjutant General and the Guard with limited ability to provide Homeland Security and disaster assistance to Nevada and surrounding states in the event of an emergency or natural disaster; and



WHEREAS, The justification for this realignment states that the Nevada Air National Guard was unable to expand beyond ten C-130s, a statement that is not true—the Air Guard signed an agreement 4 years ago with the Airport Authority of Washoe County which provides for a land swap that would give the Guard four more planes, an agreement that the Air Force and National Guard Bureau still have on hold, an agreement that would allow up to twelve planes at the station; and

WHEREAS, The final recommendation by the Department of Defense, which will cause considerable adverse impact economically to the State of Nevada, is the proposed closure of Hawthorne Army Depot located in Mineral County; and

WHEREAS, The estimated savings of \$59.2 million to the Federal Government as the result of this closure is small compared to the damage to the local economy that will be caused by the closure of the Depot, Hawthorne's primary employer; and

WHEREAS, Hawthorne Army Depot plays a unique role in our nation's security, offering a remote location for weapons' training and storage of munitions and is the premier resource, recovery and recycling center for conventional ammunition; and

WHEREAS, In its Base Closure and Realignment Report, the Department of Defense includes Hawthorne Army Depot within the Reno-Sparks Metropolitan Statistical Area and notes that the loss of 326 jobs is less than 0.1 percent of the economic area employment, yet the Report fails to note that Hawthorne is located 133 miles from Reno-Sparks; and

WHEREAS, In reality, because Hawthorne is a town of approximately 3,300 and is the economic base for a county with an estimated population of 4,800, this closure will directly

affect 10 percent of the city's population, not including the local businesses which now benefit from the presence of the Depot, including those employed by the Depot and also their families and the troops who travel to Hawthorne for training; and

WHEREAS, As in the past, and now, as our nation faces new security threats, the political leaders and residents of the State of Nevada have and will continue to support the military to meet the challenges they face; now, therefore, be it

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That the Nevada Legislature strongly urges the Base Realignment and Closure Commission to reconsider the realignment of Naval Air Station Fallon and the Nevada National Air Guard, 152nd Airlift Wing, and the closure of Hawthorne Army Depot, and reject those recommendations as a significant threat to national security; and be it further

RESOLVED, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to each member of the Base Realignment and Closure Commission, the President of the United States, the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

RESOLVED, That this resolution becomes effective upon passage and approval.



