

## Maine-New Hampshire Delegation

### Responses to Defense Department claims made at July 18 hearing

Secretary Wynne: realigning Pearl Harbor Shipyard would drastically reduce savings

Response: **Unsubstantiated by facts.** Realignment of Pearl Harbor would move long-term depot-level work from the least efficient shipyard and concentrate such maintenance at the most efficient shipyard (Portsmouth). According to DOD's own figures, the realignment of Pearl Harbor would save more money than the closure of Portsmouth. IND-0055 was the DOD scenario for the realignment of Pearl. The final COBRA run for IND-0055 showed a predicted NPV savings of \$1.8 billion and a three year payback. That is a 50 percent greater savings than DOD claims it would save by closing Portsmouth (Page DoN-24). That is before taking into account any of the problems noted with DOD's COBRA analysis of a Portsmouth closure. Testimony prepared for the July 6 hearing, but blocked by DOD intervention, supports position that keeping Portsmouth open and realigning Pearl is most cost effective option.

ADM Willard: infrastructure analysis was based on force level of 56 attack submarines

Response: **Wrong.** First, Navy indicated the FY2005 Force Structure Plan was 55 submarines, not 56. Second, this claim is contradicted by DOD's deliberations. In November 2004, Navy told IJCSG submarine workload per FY2005 Force Structure Plan (55 subs) couldn't be executed with less than four shipyards. When was evaluated against the FY2006 Force Structure Plan was revised to show a 18 percent reduction in the attack submarine force by 2024. Navy cited this reduction as creating excess capacity to allow for closure of a shipyard. Thus, the analysis was done against a level of less than 55-56 submarines. Even so, our analysis shows there is insufficient excess capacity among shipyards, especially given that the force level remains at approximately 55 submarines through 2019.

ADM Willard: If Pearl Harbor does not do depot work, Navy must buy more subs [implied, to account for transit time]

Response: **Illogical and unsupported conclusion.** Transit time from one coast to the other is 14-29 days. Portsmouth repairs submarines 3-6 months faster than Pearl Harbor, which more than compensates for the transit time. In the last five years, Portsmouth's efficiencies have resulted in the equivalent of adding one year's worth of submarine operational availability to the fleet. Over the same period, the inefficiencies of the other three yards have resulted in the loss of two year's worth of operational availability. If all Pearl Harbor homeported submarines requiring an EOH were performed at Portsmouth Naval Shipyard, that would equate to one round trip per year for 15 years.

ADM Willard: Portsmouth has been credited with its reduced operating costs.

Response: **Misleading**. Portsmouth's efficiencies were not included in COBRA model. DOD "struggled" with creating efficiency metric, but gave up. With efficiencies included, closure payback period doesn't occur until 2042. Portsmouth's performance was calculated in military value score (which earned it a higher ranking than Pearl Harbor).

ADM Willard: looking out 25 years, one shipyard can be closed, we have excess capacity.

Response: **Inaccurate and wrong**. BRAC analysis is in a 20 year window, not 25. In reality, there is insufficient excess capacity among shipyards.

ADM Willard: facing future uncertainties, such as Chinese fleet build up, there is additional capacity out there, and any additional subs can be accommodated.

Response: **Unsupported by facts**. Certified DOD data show shipyards operating at 95 percent capacity under closure, leaving minimal capacity for surge. Adding historical 14 percent workload growth, there is insufficient capacity. Private shipyard capacity cannot be analyzed or included under BRAC law.

ADM Willard: Portsmouth works on only one platform (submarines), while Pearl Harbor handles all kinds of surface ship work as well.

Response: **Misleading**. Portsmouth can maintain and homeport the DDG-51 destroyer, Aegis cruisers, Perry Class Frigates, and the Littoral Combat Ship; can modernize, maintain and homeport all U.S. Coast Guard maritime platforms (it is currently homeport to three U.S. Coast Guard cutters); can modernize, maintain, and repair SSBNs and SSGNs; and can build and maintain deep submersibles and SEAL delivery vehicles.

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