

A Brief Study of the Impacts Related to the Proposed BRAC Closing of The Hawthorne Army Depot, Mineral County, Nevada



Prepared by:

**The Nevada State Demographer's Office and the
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Development & Research

Using:

Regional Economic Modeling, Inc. (REMI) 23 Sectors by County

July 11, 2005

Executive Summary

Mineral County in west-central Nevada has been host to the Hawthorne Army Depot for decades. The county contains the community of Hawthorne, which is where the Depot is located, as well as a handful of smaller communities. The county's western boundary line also serves as the state border between California and Nevada. Hawthorne is the county seat and lies 130 miles southeast of the metropolitan area of Reno/Sparks, Nevada. It is approximately 310 miles northwest of Las Vegas, Nevada.

The county in fiscal year 2004-2005 had a total assessed valuation of only \$71.5 million¹. Compare this to the statewide total of approximately \$69.7 billion², this makes the total contribution of Mineral County, from an assessed value point, approximately one-tenth of one percent of the state's total value. When the similar comparison of population is calculated, the state with 2.2 million and Mineral County having 4,673³, putting Mineral County at approximately two-tenths of one percent of the state's population, or half the assessed valuation per person as the balance of Nevada.

The significance of this is clear due to the inordinate amount of federal property in the county which doesn't pay taxes, despite the contract operator of the Hawthorne Army Depot paying the portion of the property used by them. This makes the economic activity generated by the Depot that much more valuable compared to a more "normal" economic situation. The relative isolation of the community, as well as the county, simply emphasizes this even more.

Suffice it to say that if the BRAC recommendations are carried out, the community, as well as the county, will suffer greatly unless they are able to develop some sort of alternative use of the significant investment the DOD has in the region. Even with this type of situation, it would take large amounts of capital to develop such an alternative use of those assets and the question arises, from where would the county obtain such capital?

The results of the simulations created in this study show clearly that Mineral County, and of course the town of Hawthorne, as well as other related governmental entities, would suffer the inability to meet minimum operation costs as well as any outstanding debt service. The study further shows that with the significant decline in population of some 70 percent, it is reasonable to assume that a similar fate would await businesses as well as individuals which depend on the cash flow generated by the activity taking place daily on the Depot grounds and around the area.

The study does not address any issues regarding the BRAC Committee's erroneous data calls or any possible debate on those numbers. The study simply shows, clearly, that the community of Mineral County will suffer momentous decline if the Committee's initial recommendation is followed.

¹ Nevada Department of Taxation, Fiscal Year 2004-2005, Property Tax Rates, for Nevada Local Governments.

² Same as above.

³ Nevada County Population Estimates July 1, 1990 to July 1, 2004; The Nevada State Demographer's Office

The Model

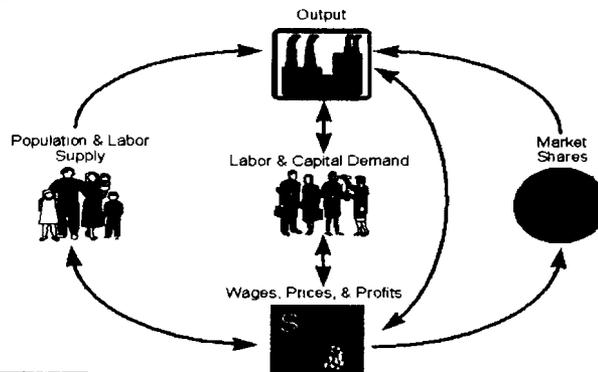
This analysis utilizes a structural economic model of Nevada developed by Regional Economic Models, Inc. (REMI) of Amherst, Massachusetts. The model is maintained by the Commission on Economic Development, the Department of Taxation through the State Demographer, and the Budget Division in the Department of Administration, with initial assistance from the Department of Transportation.

The model contains historical data from 1969 and provides forecasts and policy simulation capabilities through 2035. Shao and Treyz (1993)⁴ and Treyz, Rickman, and Shao (1992)⁵ provide additional information and documentation about the REMI model.

The REMI model is designed with the objective of improving the quality of research-based decision-making in the private and public sectors. The original REMI model was established in 1980 in response to demand for regional forecasting and simulation models. A precursor to the REMI methodology was first initiated in the mid-1970s and had its first application in the Massachusetts Economic Policy Analysis Model in 1977. The model was subsequently refined for applications by the National Academy of Sciences.

The REMI model incorporates inter-industry transactions and final demand feedbacks. In addition, the model includes substitution among factors of production in response to changes in relative factor costs, migration in response to changes in expected income, wage rate responses to changes in local labor market conditions, and changes in the share of local and export markets in response to changes in regional profitability and production costs.

The flowchart shown below provides a relatively simple overview of the model's structure and how it addresses policy-related questions. The REMI model is composed of output, labor and capital demand, population and labor supply, wage/price/profit, and market share "blocks". These blocks interact with each other to depict region-specific economic structure, and from which a consistent "control" forecast is generated. The model estimates the future impacts of the policy change (in this case, a reduction in electric rates) and generates policy effects by comparing the resulting "alternative" forecast to the control.



⁴ Shao, G., and Treyz, G.I. (1993). Building U.S. National and Regional Forecasting Simulation Models. *Economic Systems Research*, 5(1), 63-77.

⁵ Treyz, G.I., Rickman, D.S., and Shao, G. (1992). The REMI Economic-Demographic Forecasting and Simulation Model. *International Regional Science Review*, 14(3), 221-253.

Currently, REMI models are available for any county or state, or combination of counties and states, in the U.S. There are numerous and varied users of the REMI model throughout the U.S. There are approximately 35 government agencies which utilize the model, including the States of Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, New York, Vermont, and Wisconsin. Totally, about 26 consulting firms utilize various versions of the REMI model, as well as 18 universities and non-profit institutions. In addition, some six utility companies also are REMI users. Within Nevada, UNLV's Center for Business and Economic Research maintains a REMI model for southern Nevada.

Specific applications of the REMI model are also quite varied and cover a number of different policy areas including economic development, transportation, energy, the environment, taxation, and others. Specific examples include Nelson, Anderson, and Passmore (1997)⁶, Passmore and Anderson (1994)⁷. There are also several applications specific to Nevada, including Rubald (1999)⁸, Riddel (2001)⁹, and Schwer (2001)¹⁰.

The widespread use of the REMI methodology throughout the U.S. has led to extensive documentation of its value in socioeconomic analysis. The South Coast Air Quality Management District commissioned a study by the Massachusetts Institute of Technology designed to evaluate the REMI methodology and the entire socioeconomic analysis system used to obtain the impacts of implementing air pollution controls on the Los Angeles Basin (See Polenske, *et al* (1992)¹¹). The study evaluated REMI and other socioeconomic analysis models and identified "...seven features often unavailable in many other microcomputer-based regional forecasting models":

- It is calibrated to local conditions using a relatively large amount of local data, which is likely to improve its performance, especially under conditions of structural economic change.
- It has an exceptionally strong theoretical foundation.
- It actually combines several different kinds of analytical tools (including economic-base, input-output, and econometric models), allowing it to take advantage of each specific method's strengths and compensate for its weaknesses.

⁶ Nelson, J.P., Anderson, W.D., and Passmore, D.L. (1997). Economic Development and Air Pollution Abatement: A State-Level Policy Simulation of the 1990 Clean Air Act. *The Journal of Environment and Development*, 6(1), 61-84.

⁷ Passmore, D.L. and Anderson, W.D. (1994). What if it All Works? The Economic Stakes for Pennsylvania School Reform. *Pennsylvania Educational Leadership*, 14(1), 32-38.

⁸ Rubald, T. (1999). Does Economic Development Pay for Itself in Nevada?. A research paper presented at the 1999 Annual Governor's Conference on Economic Development.

⁹ Riddel, M. (2001). The Impact of the Maglev Train on the Economy of Southern Nevada: A Focus on Tourism Impacts. A research paper presented at the REMI Educational Seminar and Workshop.

¹⁰ Schwer, R.K. (2001). The First Mile is Free: An Analysis of the VentureStar Project. A research paper presented at the REMI Educational Seminar and Workshop.

¹¹ Polenske, K.R. *et al.* (1992). Evaluation of the South Coast Air Quality Management District's Methods of Assessing Socioeconomic Impacts of District Rules and Regulations: Volume I, Summary Findings and Volume II, Technical Appendices.

- It allows users to manipulate an unusually large number of input variables and gives forecasts for an unusually large number of output variables.
- It allows the user to generate forecasts for any combination of future years, allowing the user special flexibility in analyzing the timing of economic impacts.
- It accounts for business cycles.
- It has been used by a large number of users under diverse conditions and has proven to perform acceptably.

Approach

The model is available at various levels of industry detail, 23, 70, and 169 levels of industries based upon the North American Industrial Classification System (NAICS). In this study, a 23 sector model was used including Nevada's 17 counties. The model history is shortened compared to earlier versions but the economic theory is based on over 20 years of economic modeling experience by REMI. The model allows for updating county and national employment levels to reflect employment information that may become available to the user since the model was built. There are 155 policy variables that can be used to conduct scenarios to look at economic impacts.

An attempt was made to update the model with a number of significant economic activities in the state, region, and immediate area. This is a normal situation with REMI due to the fact the model is built initially with the most current data available from national sources but oftentimes local sources provide updated information.

In this case, national and county employment was updated using the Regional Information System (REIS) data from the U.S. Bureau of Economic Analysis for 2001 and 2002. The REIS data is used in building the REMI model and includes the full range of employment including proprietors. For 2003 and 2004 the update was done using employment data from the Nevada Department of Employment Security (DETR). This data is for covered employment and does not normally include proprietors. The DETR data was compared to REIS data to establish a proportional relationship and the proportion was applied to the 2003 and 2004 data to approximate the REIS data.

In addition to the updated employment information, the model has been run to create a baseline scenario that includes the proposed increase in hotel rooms through 2010 for Clark County. This created an updated baseline scenario against which simulations for Mineral County can be compared. The other baseline is what the model shows without doing any changes, that is, an "out of the box" baseline scenario.

There were three simulations run for Mineral County. The first included the expected private school proposed for the area and the High Desert Operations Center. Both of these

enterprises were included in the model as Educational Services. The assumption for this was that there are 12 employees in 2005, 55 in 2006, and 110 thereafter. The other two scenarios involved the base closing. One was with only the updated employment and the Depot closing, that is, there are no new educational establishments as businesses in Mineral County. The other was to have the Depot closing, but the educational establishments continue as businesses in the area. All the scenarios have different employment and population impacts.

Because of the prominence of the Depot, the model may be overstating its employment overtime. This is partly due to REMI having to deal with data suppression issues and the role of the Depot in the short economic history. The Depot is classified as Administration and Waste Services. The employment at BAE Systems was classified as Professional and Technical Services. Also considered was the civilian employment. The employees that were subtracted beginning in 2011 are shown in the table below.

Hawthorne Direct Employment Losses			
	Admin, Waste Services	Profess, Tech Services	Civilian
2011	634	20	45
2012	636	20	45
2013	633	20	45
2014	631	20	45
2015	629	20	45
2016	626	20	45
2017	623	20	45
2018	620	20	45
2019	617	20	45
2020	613	20	45
2021	610	20	45
2022	606	20	45
2023	602	20	45
2024	599	20	45
2025	595	20	45
2026	592	20	45
2027	589	20	45
2028	587	20	45
2029	585	20	45
2030	583	20	45
2031	581	20	45
2032	579	20	45
2033	578	20	45
2034	576	20	45
2035	574	20	45

The study is limited to the impacts of the Depot closing in Mineral County. The impact of the closure on other counties is not included in this report. It appears that because of the

limited industry detail, a limited number of the jobs in the Administrative and Waste Services category that are lost in Mineral County are added into other counties. This transfer of jobs would likely not occur with a better ability to model the impacts with greater detail, such as running the simulation on a 70 or 169 level of industry classification. The model was run to 2035 as part of a larger process for developing Nevada's population projections by the State Demographer's office. The REMI model is based on Federal data and the population estimates in the model are based on Census data and are not the same as the estimates developed by the State Demographer's office.

Outputs and Results

Depending on the possible development of other industries, which at this time the best opportunity for Mineral County appears to be Educational Services, there are a number of potential impacts that appear to happen as a result of the Depot closing. The model has the Depot losing 699 jobs in 2011 and is displayed in more detail in the following pages.

Of particular significance, the model shows Mineral County, in 2035, under a base closing simulation, to appear as follows:

- 1. There will be a loss of 1,116 to 1,224 jobs, or an additional .75 jobs lost for every job lost at the Depot.**
- 2. The population will decrease by more than 70% to somewhere around 1,300 people.**
- 3. The remaining population will be a much older population with over 38% of the population being 65 and over and a median age of 50 years compared to a current median age of 40.**

The change of demographics and workforce of a community that drastic is very significant. Unless something in the simulation inputs changes over time, such as not closing the Depot or somehow being able to replace its economic contribution to the region, it is painfully obvious the region will not survive economically.

The following tables show the results of the simulations, and impacts of the closure of the Depot. The following tables show the different baselines and the different scenarios for 2005. All values are reported as thousands in the following tables. Table One shows the levels in the scenarios for 2005. Table Two shows Mineral County in 2035. Table Three shows the differences between 2005 and 2035. Table Four shows the percentage differences for Mineral County by 2035. Table Five shows the age composition in 2005 and 2035.

TABLE ONE – MINERAL COUNTY 2005

	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2005	2005	2005	2005	2005
Total Emp (Thous)	2.277	2.465	2.465	2.478	2.478
Variable	2005	2005	2005	2005	2005
Population (Thous)	3.809	3.886	3.886	3.888	3.888
Labor Force	1.788	1.859	1.859	1.861	1.861
Variable	2005	2005	2005	2005	2005
Profess, Tech Services	0.055	0.066	0.067	0.067	0.067
Mngmt of Co, Enter	0	0	0	0	0
Admin, Waste Services	0.545	0.614	0.614	0.614	0.614
Educational Services	0	0	0	0.012	0.012
Health Care, Social Asst	0.133	0.125	0.125	0.125	0.125
Arts, Enter, Rec	0.089	0.099	0.098	0.098	0.098
Accom, Food Services	0.167	0.171	0.171	0.171	0.171
Other Services (excl Gov)	0.099	0.073	0.073	0.073	0.073
Variable	2005	2005	2005	2005	2005
Ages 0-14	0.555	0.575	0.575	0.575	0.575
Ages 15-24	0.635	0.650	0.650	0.650	0.650
Ages 25-64	1.790	1.831	1.831	1.832	1.832
Ages 65 & Older	0.830	0.830	0.830	0.830	0.830
Total Population	3.810	3.886	3.886	3.887	3.887

Table One simply shows Mineral County in its current status. It's important to note that in this chart the base closure doesn't change the output numbers at all which is what would be expected considering the possible event, the modeled event, hasn't taken place at this point in time. Other tables take this possible event into consideration and then compare the two situations over the thirty year period of time.

TABLE TWO – MINERAL COUNTY 2035

	REMI “Out of the Box”	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2035	2035	2035	2035	2035
Total Emp (Thous)	2.037	2.239	1.241	2.353	1.362
Variable	2035	2035	2035	2035	2035
Population (Thous)	2.295	2.397	1.038	2.478	1.122
Labor Force	1.320	1.401	0.593	1.458	0.652
Variable	2035	2035	2035	2035	2035
Profess, Tech Services	0.09	0.109	0.075	0.11	0.076
Mngmt of Co, Enter	0	0	0	0	0
Admin, Waste Services	0.518	0.574	0	0.575	0
Educational Services	0	0	0	0.103	0.101
Health Care, Social Asst	0.221	0.209	0.174	0.21	0.176
Arts, Enter, Rec	0.088	0.096	0.083	0.096	0.084
Accom, Food Services	0.160	0.162	0.129	0.162	0.130
Other Services (excl Gov)	0.066	0.048	0.036	0.048	0.037
Variable	2035	2035	2035	2035	2035
Ages 0-14	0.384	0.401	0.137	0.414	0.153
Ages 15-24	0.342	0.353	0.140	0.365	0.152
Ages 25-64	1.091	1.152	0.360	1.201	0.407
Ages 65 & Older	0.477	0.491	0.401	0.498	0.410
Total Population	2.294	2.397	1.038	2.478	1.122

The columns “REMI ‘Out of the Box’,” “Employment Updated for All Counties,” and “Education Jobs Coming Into Mineral County,” all three anticipate there will be no base closure and no other significant changes in the economy. “Updated Employment with Base Closure” and “Education Jobs with Base Closure,” both show the effects of the Depot closing; the first without the expected new educational sector jobs and the last column reflects the influx of the anticipated new jobs.

TABLE THREE – DIFFERENCES BETWEEN 2035 AND 2005

	REMI "Out of the Box"	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2035	2035 vs. 2005	2035 vs. 2005	2035 vs. 2005	2035 vs. 2005
Total Employment (Thous)	-0.240	-0.226	-1.224	-0.125	-1.116
Variable	2035	2035	2035	2035	2035
Population (Thous)	-1.514	-1.489	-2.848	-1.41	-2.766
Labor Force	-0.468	-0.458	-1.266	-0.403	-1.209
Variable	2035	2035	2035	2035	2035
Profess, Tech Services	0.035	0.043	0.008	0.043	0.009
Mngmt of Co, Enter	0	0	0	0	0
Admin, Waste Services	-0.027	-0.04	-0.614	-0.039	-0.614
Educational Services	0	0	0	0.091	0.089
Health Care, Social Asst	0.088	0.084	0.049	0.085	0.051
Arts, Enter, Rec	-0.001	-0.003	-0.015	-0.002	-0.014
Accom, Food Services	-0.007	-0.009	-0.042	-0.009	-0.041
Other Services (excl Gov)	-0.033	-0.025	-0.037	-0.025	-0.036
Variable	2035	2035	2035	2035	2035
Ages 0-14	-0.171	-0.174	-0.438	-0.161	-0.422
Ages 15-24	-0.293	-0.297	-0.510	-0.285	-0.498
Ages 25-64	-0.699	-0.679	-1.471	-0.631	-1.425
Ages 65 & Older	-0.353	-0.339	-0.429	-0.332	-0.420
Total Population	-1.516	-1.489	-2.848	-1.409	-2.765

If the Depot continues on its currently anticipated path with the BRAC recommendation, closing, Table Three shows the results of this in the "Updated Employment with Base Closure" and "Education Jobs with Base Closure" columns. The total population of the county will decrease by somewhere between 2,765 to 2,848 people.

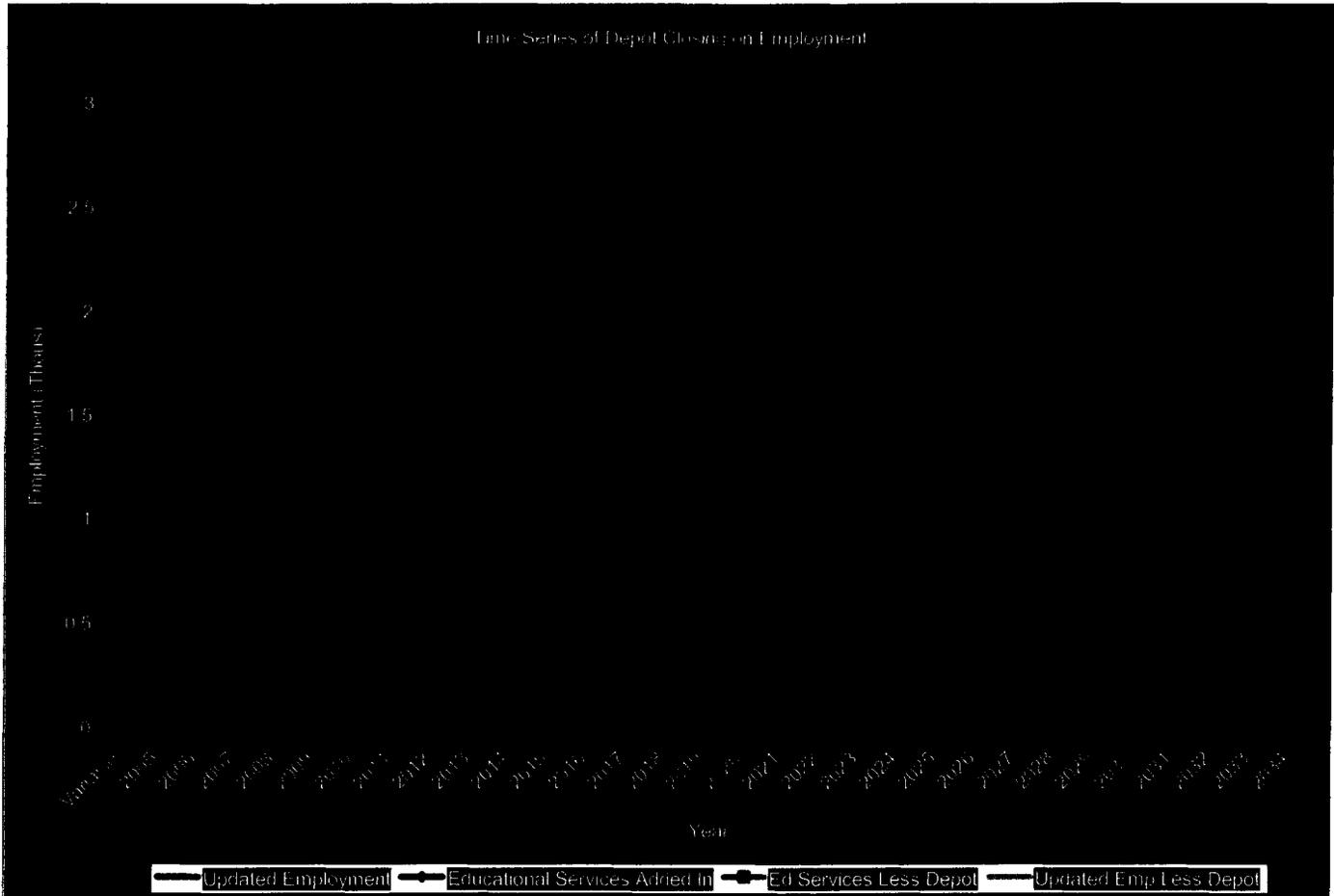
TABLE FOUR – PERCENTAGE CHANGE FROM 2005 to 2035

	REMI Out of the Box	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2035	2035	2035	2035	2035
Total Empl. (Thous)	-10.5%	-9.2%	-49.7%	-5.0%	-45.0%
Variable	2035	2035	2035	2035	2035
Population (Thous)	-39.7%	-38.3%	-73.3%	-36.3%	-71.1%
Labor Force	-26.2%	-24.6%	-68.1%	-21.7%	-65.0%
Variable	2035	2035	2035	2035	2035
Profess, Tech Services	63.6%	65.2%	11.9%	64.2%	13.4%
Mngmt of Co, Enter	0.0%	0.0%	0.0%	0.0%	0.0%
Admin, Waste Services	-5.0%	-6.5%	-100.0%	-6.4%	-100.0%
Educational Services	0.0%	0.0%	0.0%	0.0%	0.0%
Health Care, Social Asst.	66.2%	67.2%	39.2%	68.0%	40.8%
Arts, Enter, Rec	-1.1%	-3.0%	-15.3%	-2.0%	-14.3%
Accom, Food Services	-4.2%	-5.3%	-24.6%	-5.3%	-24.0%
Other Services (excl Gov)	-33.3%	-34.2%	-50.7%	-34.2%	-49.3%
Variable	2035	2035	2035	2035	2035
Ages 0-14	-30.8%	-30.3%	-76.2%	-28.0%	-73.4%
Ages 15-24	-46.1%	-45.7%	-78.5%	-43.8%	-76.6%
Ages 25-64	-39.1%	-37.1%	-80.3%	-34.4%	-77.8%
Ages 65 & Older	-42.5%	-40.8%	-51.7%	-40.0%	-50.6%

The above table reflects the numerical changes in the form of percentages. This definitely puts the situation into perspective, especially if you look closely at the third and also the last column of the table. The Health Care and Social Assistance category reflects a 40 percent loss in that category.

Table Five – Age Composition 2035 vs. 2005

	REMI Out of the Box	Employment Updated for All Counties	Updated Employment with Base Closure	Education Jobs Coming Into Mineral	Education Jobs with Base Closure
Variable	2005	2005	2005	2005	2005
Ages 0-14	0.555	0.575	0.575	0.575	0.575
Ages 15-24	0.635	0.650	0.650	0.650	0.650
Ages 25-64	1.790	1.831	1.831	1.832	1.832
Ages 65 & Older	0.830	0.830	0.830	0.830	0.830
Total	3.810	3.886	3.886	3.887	3.887
2005 Median Age	40.0	39.7	39.7	39.7	39.7
Percentage Distribution					
Ages 0-14	14.6%	14.8%	14.8%	14.8%	14.8%
Ages 15-24	16.7%	16.7%	16.7%	16.7%	16.7%
Ages 25-64	47.0%	47.1%	47.1%	47.1%	47.1%
Ages 65 & Older	21.8%	21.4%	21.4%	21.4%	21.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Variable	2035	2035	2035	2035	2035
Ages 0-14	0.384	0.401	0.137	0.414	0.153
Ages 15-24	0.342	0.353	0.14	0.365	0.152
Ages 25-64	1.091	1.152	0.36	1.201	0.407
Ages 65 & Older	0.477	0.491	0.401	0.498	0.41
Total	2.294	2.397	1.038	2.478	1.122
2035 Median Age	39.4	39.4	50.9	39.3	49.2
Percentage Distribution					
Ages 0-14	16.7%	16.7%	13.2%	16.7%	13.6%
Ages 15-24	14.9%	14.7%	13.5%	14.7%	13.5%
Ages 25-64	47.6%	48.1%	34.7%	48.5%	36.3%
Ages 65 & Older	20.8%	20.5%	38.6%	20.1%	36.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



In closing, the graphic above indicates the continuing decline of the employment in the county after the simulated closing of the Depot. The community has just recently recruited new companies into the area and they reflect the increasing trend shown in the light blue line during 2006 and 2007. The Depot being shut down at this point in time would probably jeopardize these new businesses as well.

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**HAWTHORNE ARMY DEPOT, NV
COMMISSION BASE VISIT
JULY 11, 2005**

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M. HAWTHORNE EXCERPTS FROM THE CLOVIS, NEW MEXICO REGIONAL HEARING



ITINERARY FOR 11-July 2005

Hawthorne Army Depot, NV

TIME	EVENT	LOCATION	POC	ACTION
11-July/ 0900	BRAC staff arrive at NV-ANG facility	NV-ANG Bldg. 56	NV-ANG, and LTC John Summers, CO Hawthorne Army Ammunition Depot (HWAD)	Meet
0930	Commissioner Coyle arrives Reno, NV Airport from Burbank, CA via C-130	Airport, Reno, NV	George Delgado, Dean Rhody, NV-ANG, and LTC John Summers, CO-HWAD	Meet
0930 – 1100	Short visit and briefing at NV-ANG facility	NV-ANG	George Delgado, Dean Rhody, NV-ANG, and LTC John Summers, CO-HWAD	Preparation to board NV-ANG helicopter for flight to HWAD
1100	Commissioner Coyle, HWAD-CO, and BRAC staff depart NV-ANG via helicopter to HWAD	NV-ANG to HWAD	George Delgado, Dean Rhody, and LTC John Summers, CO-HWAD	Flight to HWAD
1110 – 1145	Commissioner Mission Brief (during helicopter flight)	Enroute to HWAD	LTC John Summers, CO-HWAD	Brief Commissioner
1145 – 1240	HWAD and Range Training Areas aerial tour	HWAD	LTC John Summers, CO-HWAD	Helicopter tour

1245 -1310	Land in Western Area Demil Facility and working lunch	HWAD	LTC John Summers, CO-HWAD and other depot staff	Discussion
1310 -1400	Recommendation discussion	HWAD	LTC John Summers, CO-HWAD, Government Staff, and Tenant Organizations	Meeting
1405 - 1425	Tour Plasma Ordnance Destruction System	HWAD	LTC John Summers, CO-HWAD and other depot staff	Selected facilities driving/walking tour
1430 - 1445	Depart via UH-60 to Mineral County High School	Enroute to facility	LTC John Summers, CO-HWAD George Delgado and Dean Rhody	Transportation to selected facility
1445 -1515	Community presentations	Hawthorne H.S. Gym	HWAD Public Affairs	Community Interaction
1525 -1530	Press contact	Hawthorne H.S. Gym	HWAD Public Affairs	Press comments and short Q&A
1530	Commissioner Coyle departs from HWAD via C-130 to Burbank, CA and BRAC staff depart HWAD to Reno, NV via NV-ANG helicopter	Commissioner enroute to Burbank and staff enroute to NV-ANG	NV-ANG LTC John Summers, CO-HWAD, George Delgado, and Dean Rhody	Departure from HWAD

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DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BASE SUMMARY SHEET

Hawthorne Army Depot, NV

INSTALLATION MISSION

- The largest ammunition storage depot in the country. There are 3,500 buildings on the 147,000 acre main facility, located in western Nevada. Operated by the Day Zimmerman Hawthorne Corporation for the Army, which acquired the site from the Navy in 1977. Facilities include 2,427 munitions storage igloos, 75% of which are in use; the Western Area Demilitarization Facility, a \$68 million, 13 building complex that processes and recycles outdated munitions; and a 700-acre bomb disposal site located 25 miles northeast of Hawthorne. The installation employs around 700 people, all but one of whom are civilians. Over the years chemical weapons have been stored and disposed of at Hawthorne, and there are several areas contaminated by mustard gas and other chemical agents. Much of Oregon's Umatilla Army Depot, Arizona's Navajo Army Depot, and New Mexico's Fort Wingate operations were moved to Hawthorne in the early 1990's. The Navy's Underwater Nuclear Warfare Center had a location here as well.

DOD RECOMMENDATION

- Close Hawthorne Army Depot, NV. Relocate Storage and Demilitarization functions to Tooele Army Depot, UT.

DOD 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 Army Depot has infrastructure problems that severely limit the ability to offload.

COST CONSIDERATIONS DEVELOPED BY DOD

- | | |
|---|-----------------|
| • One-Time Costs: | <u>\$180.3M</u> |
| • Net Savings (Cost) during Implementation: | <u>\$59.2M</u> |
| • Annual Recurring Savings: | <u>\$73.4M</u> |
| • Return on Investment Year: | Immediate |
| • Net Present Value over 20 Years: | <u>\$777.7M</u> |

MANPOWER IMPLICATIONS OF THIS RECOMMENDATION (EXCLUDES CONTRACTORS)

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
Baseline			
Reductions	(74)	(45)	--
Realignments	--	--	--
Total	(74)	(45)	--

MANPOWER IMPLICATIONS OF ALL RECOMMENDATIONS AFFECTING THIS INSTALLATION (INCLUDES ON-BASE CONTRACTORS AND STUDENTS)

	Out		In		Net Gain (Loss)	
	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
This Recommendation	(74)	(125)	--	--	(74)	(125)
Other Recommendation(s)	--	--	--	--	--	--
Total	(74)	(125)	--	--	(74)	(125)

ENVIRONMENTAL CONSIDERATIONS

- 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 \$1.5M 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 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.

REPRESENTATION

Governor: Kenny Guinn (R)
Senators: Harry Reid (D)
John Ensign (R)

Representative: James A. Gibbons (R)

ECONOMIC IMPACT

- Potential Employment Loss: 325 jobs (199 direct and 126 indirect)
- MSA Job Base: 243,270 jobs
- Percentage: 0.1 percent decrease
- Cumulative Economic Impact (Year-Year): N/A

(Note: See Tab J for an Economic Impact Report rerun of the recommendation's data performed by DoD at the request of the BRAC Economist to correct the Region of Influence (ROI). This rerun, which correctly used Mineral County as ROI instead of Reno-Sparks Metropolitan Statistical Area, resulted in 13.63% decline in Mineral County's employment, or a total of 329 job losses (199 direct jobs, as identified by DoD, and 130 indirect jobs). In addition, see Tab K for another rerun, prepared by the BRAC Economist, using updated uncertified personnel data provided by the operating contractor, Day & Zimmermann Corp. This second rerun resulted in 37.13% decline in Mineral County's employment, or a total 896 job losses (539 direct jobs and 357 indirect jobs). If the updated personnel data are to be certified, Mineral County would have the highest the negative economic impacts in the 2005 BRAC round.)

MILITARY ISSUES

- Demilitarization of an increasing inventory of obsolete munitions.
- Limitations in funding for the demilitarization of munitions will continue extending the time required to complete the work. Timeframe may extend beyond BRAC time period.
- Returning munitions from Europe, Korea, and Southwest Asia may create storage and demilitarization difficulties.
- Effect of closure on tenants.
- Loss of training facilities and maneuvering space suited for scenarios similar to those encountered by U.S. forces in Afghanistan and Iraq.

COMMUNITY CONCERNS/ISSUES

- Economic effect to the area in terms of employment and downstream effects on other businesses.
- Environmental effects of chemical contamination in areas contaminated by mustard gas and other chemical agents.
- Post-closure usage of the property.

ITEMS OF SPECIAL EMPHASIS

- What funding level will be required to complete the demilitarization of all unserviceable munitions stored at the depot by 2011? Will the necessary funding to complete the work by 2011 be available? Will the Army complete the work by the desired date, or if the target date is doubtful what contingency plans will the Army implement to ensure completion?
- What storage and demilitarization difficulties will returning unserviceable munitions from Korea, Europe, and Southwest Asia create?
- Can you provide information on the \$1.5 million for environmental compliance activities and the \$383 million in environmental restoration costs noted in the environmental impact section of the DoD recommendation?
- Is the data contained in the DoD recommendation report accurately portray the nature of your activities? If not, can you provide the Commission with accurate data?
- What is, or what should be, the Army's biggest concern regarding this closure?
- Is there any additional information that you would like to communicate to the Commissioners in order to inform their deliberations regarding this recommendation?

Analysts' Names/Team/Date
George Delgado-JCSG & Dean Rhody -Army/July 6, 2005



Hawthorne Army Depot, NV

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 Army Depot 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 \$180.3M. The net of all costs and savings to the Department during the implementation period is a savings of \$59.2M. Annual recurring savings to the Department after implementation are \$73.4M with a payback beginning immediately. The net present value of the costs and savings to the Department over 20 years is a savings of \$777.7M.

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 Assessment: 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 \$1.5M 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

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.

IJCSG Summary Military Value Report for Munitions

<i>Activity:</i>	<i>Score:</i>
<i>Armaments Production</i>	
ROCK ISLAND ARSENAL	0.9520
WATERVLIET ARSENAL	0.8687
LIMA ARMY TANK PLT	0.5844
<i>Demilitarization</i>	
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

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
 <i>Munitions Maintenance</i>	
BLUE GRASS ARMY DEPOT	0.6359
LETTERKENNY ARMY DEPOT	0.3774
ANNISTON ARMY DEPOT	0.3119
MCALESTER AAP	0.2589
RED RIVER ARMY DEPOT	0.2003
CRANE ARMY AMMUNITION ACTIVITY	0.1951
Hill AFB	0.0999
TOOELE ARMY DEPOT	0.0863
REDSTONE ARSENAL	0.0765

IJCSG Summary Military Value Report for Munitions

Activity:

Score:

Munitions Production

MCALESTER AAP	0.5967
MILAN AAP	0.5708
LONE STAR AAP	0.5319
CRANE ARMY AMMUNITION ACTIVITY	0.4836
NAVSURFWARCENDIV_INDIAN_HEAD_MD	0.4592
IOWA AAP	0.3144
LAKE CITY AAP	0.2992
KANSAS ARMY AMMUNITION PLANT	0.2781
RADFORD AAP	0.2735
SCRANTON AAP	0.2450
NSWC_INDIAN_HEAD_DET_YORKTOWN	0.2042
PINE BLUFF ARSENAL	0.1911
HOLSTON AAP	0.1493

IJCSG Summary Military Value Report for Munitions

<i>Activity:</i>	<i>Score:</i>
RIVERBANK AAP	0.1075
MISSISSIPPI AAP	0.0765
LOUISIANA AAP	0.0343
<i>Storage and Distribution</i>	
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

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 - Capacity By Site

Site	Function	Category	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*		
USA	HAWTHORNE ARMY DEPOT	MUNITIONS DEMILITARIZATION						
		DEPLETED URANIUM AMMO	6,676.0	0.0	6,676.0	6,676.0 -- 6,676.0		
		DYES/SMOKE/RIOT CONTROL	246.5	0.0	246.5	246.5 -- 246.5		
		HE BOMBS	886.0	0.0	886.0	886.0 -- 886.0		
		HE ICM/BU & SUBMUNITIONS	6,800.0	0.0	6,800.0	6,800.0 -- 6,800.0		
		HIGH EXPLOSIVE MUNITIONS	19,152.7	0.0	19,152.7	19,152.7 -- 19,152.7		
		INERT	320.0	0.0	320.0	320.0 -- 320.0		
		MISSILES/LARGE ROCKET MOTORS	1,220.0	0.0	1,220.0	1,220.0 -- 1,220.0		
		PROPELLENTS	2,041.0	0.0	2,041.0	2,041.0 -- 2,041.0		
		PYROTECHNICS/INCENDIARY AMMO	303.1	0.0	303.1	303.1 -- 303.1		
		SMALL CAL. AMMO/FUZES/MISC	403.9	0.0	403.9	403.9 -- 403.9		
		Site Total	38,049.2	0.0	38,049.2	38,049.2 -- 38,049.2		
		Percent of Capacity Not Utilized						
		0.0% -- 100.0%						
		MUNITIONS STORAGE						
			EXPLOSIVE ABOVE GROUND		558.0	291.0	558.0	267.0 -- 267.0
			Explosive Earth Covered		776.0	458.0	776.0	318.0 -- 318.0
	OTHER EXPLOSIVE STORAGE		8,404.0	4,854.0	8,404.0	3,550.0 -- 3,550.0		
	Site Total		9,738.0	5,603.0	9,738.0	4,135.0 -- 4,135.0		
Percent of Capacity Not Utilized								
42.5% -- 42.5%								

* Capacity is measured in dltr(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 Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS DEMILITARIZATION						
DEPLETED URANIUM AMMO						
	USA	ANNISTON ARMY DEPOT	3,433.0	156.0	3,433.0	3,277.0 ... 3,277.0
	USA	BLUE GRASS ARMY DEPOT	1,115.1	333.5	2,181.5	781.6 ... 1,848.1
	USA	CRANE ARMY AMMUNITION ACTIVITY	856.0	586.0	856.0	270.0 ... 270.0
	USA	HAWTHORNE ARMY DEPOT	6,676.0	0.0	6,676.0	6,676.0 ... 6,676.0
	USA	IOWA AAP	739.7	730.2	739.7	9.5 ... 9.5
	USA	KANSAS ARMY AMMUNITION PLANT	57.0	1.0	57.0	56.0 ... 56.0
	USA	LAKE CITY AAP	6.0	0.0	8.0	6.0 ... 8.0
	USA	LETTERKENNY ARMY DEPOT	539.5	26.0	1,079.0	513.5 ... 1,053.0
	USA	LONE STAR AAP	482.1	363.0	872.4	119.1 ... 509.4
	USA	MCALESTER AAP	2,756.0	0.0	2,756.0	2,756.0 ... 2,756.0
	USA	RED RIVER ARMY DEPOT	138.1	32.0	165.8	106.2 ... 133.8
	USA	TOOELE ARMY DEPOT	2,148.0	0.0	7,226.0	2,148.0 ... 7,226.0
	Category Total		18,946.5	2,227.7	26,050.4	16,718.8 ... 23,822.8
	Percent of Capacity Not Utilized					88.2% ... 91.4%
DYES/SMOKE/RIOT CONTROL						
	USA	HAWTHORNE ARMY DEPOT	246.5	0.0	246.5	246.5 ... 246.5
	USA	PINE BLUFF ARSENAL	3.0	0.0	3.0	3.0 ... 3.0
	Category Total		249.5	0.0	249.5	249.5 ... 249.5
	Percent of Capacity Not Utilized					100.0% ... 100.0%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

<i>Function</i>	<i>Category</i>	<i>Site</i>	<i>Current Capacity*</i>	<i>Current Usage*</i>	<i>Maximum Capacity*</i>	<i>Capacity in Excess of Current Usage*</i>
MUNITIONS DEMILITARIZATION						
HE BOMBS						
	USA	ANNISTON ARMY DEPOT	1,259.0	0.0	1,259.0	1,259.0 ... 1,259.0
	USA	BLUE GRASS ARMY DEPOT	22.5	0.0	22.5	22.5 ... 22.5
	USA	CRANE ARMY AMMUNITION ACTIVITY	140.0	140.0	140.0	0.0 ... 0.0
	USA	HAWTHORNE ARMY DEPOT	886.0	0.0	886.0	886.0 ... 886.0
	USA	KANSAS ARMY AMMUNITION PLANT	17.0	0.0	17.0	17.0 ... 17.0
	USA	LETTERKENNY ARMY DEPOT	145.2	20.5	290.3	124.7 ... 269.8
	USA	MCALESTER AAP	1,082.0	0.0	1,082.0	1,082.0 ... 1,082.0
	USA	RED RIVER ARMY DEPOT	65.2	0.5	78.2	64.7 ... 77.8
	USA	TOOELE ARMY DEPOT	516.0	0.0	2,560.0	516.0 ... 2,560.0
	Category Total		4,132.9	161.0	6,335.1	3,971.9 ... 6,174.1
	Percent of Capacity Not Utilized					96.1% ... 97.5%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

<i>Function</i>	<i>Category</i>	<i>Site</i>	<i>Current Capacity*</i>	<i>Current Usage*</i>	<i>Maximum Capacity*</i>	<i>Capacity in Excess of Current Usage*</i>
MUNITIONS DEMILITARIZATION						
HE ICM/BU & SUBMUNITIONS						
	USA	BLUE GRASS ARMY DEPOT	7,200.0	0.0	7,200.0	7,200.0 ... 7,200.0
	USA	CRANE ARMY AMMUNITION ACTIVITY	88.9	88.9	88.9	0.0 ... 0.0
	USA	HAWTHORNE ARMY DEPOT	6,800.0	0.0	6,800.0	6,800.0 ... 6,800.0
	USA	KANSAS ARMY AMMUNITION PLANT	17.0	0.0	17.0	17.0 ... 17.0
	USA	LETTERKENNY ARMY DEPOT	35.2	1.0	70.3	34.2 ... 69.3
	USA	LONE STAR AAP	121.3	7.7	242.7	113.7 ... 235.0
	USA	TOOELE ARMY DEPOT	516.0	0.0	2,580.0	516.0 ... 2,580.0
	Category Total		14,778.4	97.6	16,998.9	14,680.8 ... 16,901.3
	Percent of Capacity Not Utilized					99.3% ... 99.4%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS DEMILITARIZATION						
HIGH EXPLOSIVE MUNITIONS						
	USA	ANNISTON ARMY DEPOT	9,077.0	156.0	9,077.0	8,921.0 ... 8,921.0
	USA	BLUE GRASS ARMY DEPOT	1,946.1	631.5	3,331.4	1,314.6 ... 2,699.8
	USA	CRANE ARMY AMMUNITION ACTIVITY	2,462.0	1,588.3	2,462.0	873.7 ... 873.7
	USA	HAWTHORNE ARMY DEPOT	19,152.7	0.0	19,152.7	19,152.7 ... 19,152.7
	USA	IOWA AAP	9.5	0.0	9.5	9.5 ... 9.5
	USA	KANSAS ARMY AMMUNITION PLANT	142.0	2.5	142.0	139.5 ... 139.5
	USA	LAKE CITY AAP	6.0	0.0	8.0	6.0 ... 8.0
	USA	LETTERKENNY ARMY DEPOT	1,430.2	62.1	2,060.4	1,367.8 ... 2,798.0
	USA	LONE STAR AAP	544.5	387.6	997.4	157.0 ... 609.8
	USA	MCALESTER AAP	4,086.0	0.0	4,086.0	4,086.0 ... 4,086.0
	USA	PINE BLUFF ARSENAL	1.5	0.1	1.5	1.4 ... 1.4
	USA	RED RIVER ARMY DEPOT	5,126.5	33.7	6,151.8	5,092.8 ... 6,118.1
	USA	TOOELE ARMY DEPOT	3,848.0	86.5	18,430.0	3,761.5 ... 18,343.5
	Category Total		47,832.1	2,948.6	66,709.7	44,883.5 ... 63,761.1
	Percent of Capacity Not Utilized					93.8% ... 95.6%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS DEMILITARIZATION						
INERT						
	USA	ANNISTON ARMY DEPOT	475.0	0.0	475.0	475.0 ... 475.0
	USA	BLUE GRASS ARMY DEPOT	25.0	0.0	25.0	25.0 ... 25.0
	USA	CRANE ARMY AMMUNITION ACTIVITY	264.0	0.0	264.0	264.0 ... 264.0
	USA	HAWTHORNE ARMY DEPOT	320.0	0.0	320.0	320.0 ... 320.0
	USA	KANSAS ARMY AMMUNITION PLANT	17.0	1.5	17.0	15.5 ... 15.5
	USA	LAKE CITY AAP	126.0	126.0	168.0	0.0 ... 42.0
	USA	LETTERKENNY ARMY DEPOT	200.0	83.3	400.0	116.7 ... 316.7
	USA	MCALESTER AAP	885.0	0.0	885.0	885.0 ... 885.0
	USA	RED RIVER ARMY DEPOT	0.3	0.3	0.4	0.0 ... 0.1
	USA	TOOELE ARMY DEPOT	776.0	0.0	2,840.0	776.0 ... 2,840.0
	Category Total		3,088.3	211.1	5,394.4	2,877.2 ... 5,183.3
	Percent of Capacity Not Utilized					93.2% ... 96.1%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS DEMILITARIZATION						
MISSILES/LARGE ROCKET MOTORS						
	USA	ANNISTON ARMY DEPOT	1,775.0	884.0	1,775.0	891.0 ... 891.0
	USA	BLUE GRASS ARMY DEPOT	261.0	0.0	261.0	261.0 ... 261.0
	USA	CRANE ARMY AMMUNITION ACTIVITY	212.0	121.0	212.0	91.0 ... 91.0
	USA	HAWTHORNE ARMY DEPOT	1,220.0	0.0	1,220.0	1,220.0 ... 1,220.0
	USA	LETTERKENNY ARMY DEPOT	340.0	195.0	680.0	145.0 ... 485.0
	USA	MCALESTER AAP	140.0	15.0	140.0	125.0 ... 125.0
	USA	RED RIVER ARMY DEPOT	962.5	157.7	1,155.0	804.8 ... 997.3
	USA	TOOELE ARMY DEPOT	874.0	0.0	4,994.0	874.0 ... 4,994.0
	Category Total		5,784.5	1,372.7	10,437.0	4,411.8 ... 9,064.3
	Percent of Capacity Not Utilized					76.3% ... 86.8%
NO FAMILY						
	USA	CRANE ARMY AMMUNITION ACTIVITY	100.0	0.0	100.0	100.0 ... 100.0
	USA	KANSAS ARMY AMMUNITION PLANT	0.0	0.0	17.0	0.0 ... 17.0
	USA	LETTERKENNY ARMY DEPOT	138.8	5.0	277.6	133.8 ... 272.6
	USA	TOOELE ARMY DEPOT	516.0	377.2	2,580.0	138.8 ... 2,202.8
	Category Total		754.8	382.2	2,974.6	372.6 ... 2,592.4
	Percent of Capacity Not Utilized					49.4% ... 87.2%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS DEMILITARIZATION						
	PHOSPHORUS - WHITE/RED/PWP					
	USA	CRANE ARMY AMMUNITION ACTIVITY	274.0	274.0	822.0	0.0 ... 548.0
	Category Total		274.0	274.0	822.0	0.0 ... 548.0
	Percent of Capacity Not Utilized					0.0% ... 66.7%
	PROPELLENTS					
	USA	ANNISTON ARMY DEPOT	2,884.0	980.0	2,884.0	1,904.0 ... 1,904.0
	USA	BLUE GRASS ARMY DEPOT	29.2	6.2	29.2	23.0 ... 23.0
	USA	CRANE ARMY AMMUNITION ACTIVITY	890.0	54.4	890.0	835.6 ... 835.6
	USA	HAWTHORNE ARMY DEPOT	2,041.0	0.0	2,041.0	2,041.0 ... 2,041.0
	USA	KANSAS ARMY AMMUNITION PLANT	63.0	1.0	63.0	62.0 ... 62.0
	USA	LAKE CITY AAP	11.0	9.0	15.0	2.0 ... 6.0
	USA	LETTERKENNY ARMY DEPOT	490.0	79.3	740.0	410.7 ... 660.7
	USA	LONE STAR AAP	28.4	0.0	28.4	28.4 ... 28.4
	USA	MCALESTER AAP	1,126.0	773.0	1,126.0	353.0 ... 353.0
	USA	PINE BLUFF ARSENAL	4.5	0.2	4.5	4.3 ... 4.3
	USA	RED RIVER ARMY DEPOT	167.4	0.2	200.9	167.2 ... 200.6
	USA	TOOELE ARMY DEPOT	776.0	0.0	4,904.0	776.0 ... 4,904.0
	Category Total		8,510.6	1,903.4	12,926.1	6,607.1 ... 11,022.6
	Percent of Capacity Not Utilized					77.6% ... 85.3%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS DEMILITARIZATION						
PYROTECHNICS/INCENDIARY AMMO						
	USA	ANNISTON ARMY DEPOT	2,859.0	0.0	2,859.0	2,859.0 ... 2,859.0
	USA	CRANE ARMY AMMUNITION ACTIVITY	600.0	0.0	600.0	600.0 ... 600.0
	USA	HAWTHORNE ARMY DEPOT	303.1	0.0	303.1	303.1 ... 303.1
	USA	LETTERKENNY ARMY DEPOT	324.6	8.2	597.5	316.4 ... 589.4
	USA	LONE STAR AAP	1.6	0.0	1.6	1.6 ... 1.6
	USA	MCALESTER AAP	62.0	0.0	62.0	62.0 ... 62.0
	USA	PINE BLUFF ARSENAL	3.0	0.1	1.6	2.9 ... 1.5
	USA	TOOELE ARMY DEPOT	638.0	0.0	1,370.0	638.0 ... 1,370.0
	Category Total		4,791.3	8.3	5,794.8	4,783.0 ... 5,786.5
	Percent of Capacity Not Utilized					99.8% ... 99.9%

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

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JCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS DEMILITARIZATION						
SMALL CAL AMMO/FUZES/MISC						
	USA	ANNISTON ARMY DEPOT	1,908.0	105.0	1,908.0	1,803.0 ... 1,803.0
	USA	BLUE GRASS ARMY DEPOT	9.9	0.0	9.9	9.9 ... 9.9
	USA	CRANE ARMY AMMUNITION ACTIVITY	415.8	9.0	415.8	406.8 ... 406.8
	USA	HAWTHORNE ARMY DEPOT	403.9	0.0	403.9	403.9 ... 403.9
	USA	KANSAS ARMY AMMUNITION PLANT	63.0	1.0	63.0	62.0 ... 62.0
	USA	LAKE CITY AAP	33.0	26.0	44.0	7.0 ... 18.0
	USA	LETTERKENNY ARMY DEPOT	313.8	11.0	527.7	302.8 ... 516.7
	USA	MCALESTER AAP	1,414.0	0.0	1,414.0	1,414.0 ... 1,414.0
	USA	RED RIVER ARMY DEPOT	338.5	0.1	406.2	338.4 ... 406.1
	USA	TOOELE ARMY DEPOT	808.0	120.5	3,904.0	687.5 ... 3,783.5
	Category Total		5,707.9	272.5	9,096.5	5,435.4 ... 8,823.9
	Percent of Capacity Not Utilized					95.2% ... 97.0%

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

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IJCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
Munitions Maintenance						
MISSILES						
	USA	ANNISTON ARMY DEPOT	16.9	1.8	16.9	15.1 ... 15.1
	USA	BLUE GRASS ARMY DEPOT	280.8	311.6	485.8	-30.8 ... 174.2
	USAF	HILL AFB	23.0	14.0	23.0	9.0 ... 9.0
	USA	LETTERKENNY ARMY DEPOT	7.0	2.6	10.6	4.5 ... 8.0
	USA	MCALESTER AAP	2.6	0.0	8.5	2.6 ... 8.5
	USA	RED RIVER ARMY DEPOT	2.4	1.8	3.2	0.6 ... 1.4
	USA	REDSTONE ARSENAL	8.0	4.2	12.0	3.8 ... 7.8
	Category Total		340.8	336.0	560.0	4.8 ... 224.0
	Percent of Capacity Not Utilized					1.4% ... 40.0%
MUNITIONS						
	USA	ANNISTON ARMY DEPOT	451.1	270.1	451.1	181.0 ... 181.0
	USA	BLUE GRASS ARMY DEPOT	45.2	0.0	75.6	45.2 ... 75.6
	USA	CRANE ARMY AMMUNITION ACTIVITY	25.1	6.7	63.6	18.4 ... 56.9
	USAF	HILL AFB	3.0	3.0	3.0	0.0 ... 0.0
	USA	LETTERKENNY ARMY DEPOT	7.4	4.8	11.5	2.6 ... 6.7
	USA	MCALESTER AAP	11.6	7.1	23.3	4.5 ... 16.2
	USA	RED RIVER ARMY DEPOT	36.6	1.3	49.3	35.4 ... 48.0
	USA	TOOELE ARMY DEPOT	0.2	0.1	0.2	0.1 ... 0.1
	Category Total		580.2	293.1	677.6	287.0 ... 384.5
	Percent of Capacity Not Utilized					49.5% ... 56.7%

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

JCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS STORAGE						
EXPLOSIVE ABOVE GROUND						
	USA	ANNISTON ARMY DEPOT	50.0	28.3	50.0	21.7 ... 21.7
	USA	BLUE GRASS ARMY DEPOT	124.6	99.7	124.6	24.9 ... 24.9
	USA	CRANE ARMY AMMUNITION ACTIVITY	528.0	387.3	528.0	140.7 ... 140.7
	USA	DESERET CHEMICAL DEPOT	70.0	68.0	70.0	2.0 ... 2.0
	USA	HAWTHORNE ARMY DEPOT	558.0	291.0	558.0	267.0 ... 267.0
	USA	IOWA AAP	269.8	198.1	269.8	71.7 ... 71.7
	USA	KANSAS ARMY AMMUNITION PLANT	255.6	155.5	255.6	100.1 ... 100.1
	USA	LAKE CITY AAP	306.1	306.1	306.1	0.0 ... 0.0
	USA	LETTERKENNY ARMY DEPOT	103.7	55.4	103.7	48.3 ... 48.3
	USA	LONE STAR AAP	314.2	251.3	314.2	62.8 ... 62.8
	USA	MILAN AAP	181.6	120.4	181.6	61.2 ... 61.2
	USA	PINE BLUFF ARSENAL	831.6	834.4	831.6	-2.8 ... -2.8
	USA	RED RIVER ARMY DEPOT	148.7	80.3	148.7	68.4 ... 68.4
	USA	SIERRA ARMY DEPOT	99.5	22.1	99.5	77.4 ... 77.4
	USA	TOOELE ARMY DEPOT	99.0	56.0	99.0	43.0 ... 43.0
	USA	UMATILLA CHEM DEPOT	110.0	15.7	110.0	94.3 ... 94.3
	Category Total		4,050.3	2,969.5	4,050.3	1,080.8 ... 1,080.8
	Percent of Capacity Not Utilized					26.7% ... 26.7%

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

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JCSG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS STORAGE						
EXPLOSIVE EARTH COVERED						
	USA	ANNISTON ARMY DEPOT	544.6	405.2	544.6	139.4 ... 139.4
	USA	BLUE GRASS ARMY DEPOT	293.1	235.1	293.1	58.0 ... 58.0
	USA	CRANE ARMY AMMUNITION ACTIVITY	412.8	302.2	412.8	110.6 ... 110.6
	USA	DESERET CHEMICAL DEPOT	455.0	317.0	455.0	138.0 ... 138.0
	USA	HAWTHORNE ARMY DEPOT	776.0	458.0	776.0	318.0 ... 318.0
	USA	IOWA AAP	301.0	148.3	301.0	152.7 ... 152.7
	USA	KANSAS ARMY AMMUNITION PLANT	3.6	3.0	3.6	0.6 ... 0.6
	USA	LAKE CITY AAP	30.2	30.2	30.2	0.0 ... 0.0
	USA	LETTERKENNY ARMY DEPOT	191.2	160.8	191.2	30.4 ... 30.4
	USA	LONE STAR AAP	127.3	101.9	127.3	25.4 ... 25.4
	USA	LOUISIANA AAP	350.0	270.4	350.0	79.6 ... 79.6
	USA	MCALESTER AAP	532.8	168.8	532.8	364.0 ... 364.0
	USA	MILAN AAP	53.3	11.7	53.3	41.6 ... 41.6
	USA	MISSISSIPPI AAP	105.4	0.0	105.4	105.4 ... 105.4
	USA	NEWPORT CHEM DEPOT	11.6	11.6	11.6	0.0 ... 0.0
	USA	PINE BLUFF ARSENAL	58.4	9.6	58.4	48.8 ... 48.8
	USA	PUEBLO CHEM DEPOT	1,475.2	161.6	1,475.2	1,313.6 ... 1,313.6
	USA	RED RIVER ARMY DEPOT	169.1	94.6	169.1	74.5 ... 74.5
	USA	SIERRA ARMY DEPOT	343.6	9.2	343.6	334.4 ... 334.4
	USA	TOOELE ARMY DEPOT	166.6	147.0	166.6	19.6 ... 19.6
	USA	UMATILLA CHEM DEPOT	174.3	163.8	174.3	10.5 ... 10.5

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

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IJCSCG - Munitions/Armaments Capacity Report - Capacity By Commodity

Function	Category	Site	Current Capacity*	Current Usage*	Maximum Capacity*	Capacity in Excess of Current Usage*
MUNITIONS STORAGE	EXPLOSIVE EARTH COVERED					
	Category Total		6,575.1	3,210.0	6,575.1	3,365.1 ... 3,365.1
	Percent of Capacity Not Utilized					51.2% ... 51.2%

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

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COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 1/2
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Starting Year : 2006
 Final Year : 2011
 Payback Year : Immediate

NPV in 2025(\$K): -777,701
 1-Time Cost(\$K): 180,272

Net Costs in 2005 Constant Dollars (\$K)								
	2006	2007	2008	2009	2010	2011	Total	Beyond
	----	----	----	----	----	----	----	----
MilCon	0	0	0	0	0	0	0	0
Person	0	0	0	0	0	-3,370	-3,370	-8,082
Overhd	-34,913	-34,913	-34,913	-34,913	-34,913	-59,046	-233,610	-65,334
Moving	0	0	46,700	46,700	46,700	1,157	141,256	0
Missio	0	0	0	0	0	0	0	0
Other	6,000	6,000	2,006	2,406	634	19,456	36,502	0
TOTAL	-28,913	-28,913	13,793	14,193	12,421	-41,803	-59,222	-73,416

	2006	2007	2008	2009	2010	2011	Total
	----	----	----	----	----	----	----
POSITIONS ELIMINATED							
Off	0	0	0	0	0	2	2
Enl	0	0	0	0	0	72	72
Civ	0	0	0	0	0	25	25
TOT	0	0	0	0	0	99	99

	2006	2007	2008	2009	2010	2011	Total
	----	----	----	----	----	----	----
POSITIONS REALIGNED							
Off	0	0	0	0	0	0	0
Enl	0	0	0	0	0	0	0
Stu	0	0	0	0	0	0	0
Civ	0	0	0	0	0	20	20
TOT	0	0	0	0	0	20	20

Summary:

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

COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 2/2
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Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Pctrs File : C:\Documents and Settings\\Desktop\COBRA 6.10\BRAC2005.SFF

Costs in 2005 Constant Dollars (\$K)

	2006	2007	2008	2009	2010	2011	Total	Beyond
	----	----	----	----	----	----	-----	-----
MilCon	0	0	0	0	0	0	0	0
Person	0	0	0	0	0	827	827	37
Overhd	0	0	0	0	0	1,724	1,724	0
Moving	0	0	46,700	46,700	46,700	1,157	141,256	0
Missio	0	0	0	0	0	0	0	0
Other	6,000	6,000	2,006	2,406	634	19,456	36,502	0
TOTAL	6,000	6,000	48,706	49,106	47,333	23,164	180,309	37

Savings in 2005 Constant Dollars (\$K)

	2006	2007	2008	2009	2010	2011	Total	Beyond
	----	----	----	----	----	----	-----	-----
MilCon	0	0	0	0	0	0	0	0
Person	0	0	0	0	0	4,197	4,197	8,119
Overhd	34,913	34,913	34,913	34,913	34,913	60,770	235,334	65,334
Moving	0	0	0	0	0	0	0	0
Missio	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
TOTAL	34,913	34,913	34,913	34,913	34,913	64,967	239,531	73,453

COBRA PERSONNEL/SF/SUSTAINMENT/RECAP/BOS DELTAS REPORT (COBRA v6.10)
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base	Personnel			
	Start*	Finish*	Change	%Change
HAWTHORNE DEPOT	119	0	-119	-100%
TOOELE	1,083	1,083	0	0%
BASE X (ARMY)	109	129	20	18%
TOTAL	1,311	1,212	-99	-8%

Base	Square Footage				
	Start	Finish	Change	%Change	Chg/Per
HAWTHORNE DEPOT	9,578,000	0	-9,578,000	-100%	80,487
TOOELE	9,415,000	9,415,000	0	0%	0
BASE X (ARMY)	60,640	60,640	0	0%	0
TOTAL	19,053,640	9,475,640	-9,578,000	-50%	96,747

Base	Base Operations Support (2005\$)				
	Start*	Finish*	Change	%Change	Chg/Per
HAWTHORNE DEPOT	0	0	0	0%	0
TOOELE	17,873,628	17,873,628	0	0%	0
BASE X (ARMY)	0	0	0	0%	0
TOTAL	17,873,628	17,873,628	0	0%	0

Base	Sustainment (2005\$)				
	Start	Finish	Change	%Change	Chg/Per
HAWTHORNE DEPOT	30,420,932	0	-30,420,932	-100%	255,638
TOOELE	6,913,145	6,913,145	0	0%	0
BASE X (ARMY)	118,709	118,709	0	0%	0
TOTAL	37,452,786	7,031,854	-30,420,932	-81%	307,282

Base	Recapitalization (2005\$)				
	Start	Finish	Change	%Change	Chg/Per
HAWTHORNE DEPOT	34,912,754	0	-34,912,754	-100%	293,384
TOOELE	13,283,457	13,283,457	0	0%	0
BASE X (ARMY)	5,725,274	5,725,274	0	0%	0
TOTAL	53,921,486	19,008,732	-34,912,754	-65%	352,654

Base	Sustain + Recap + BOS (2005\$)				
	Start	Finish	Change	%Change	Chg/Per
HAWTHORNE DEPOT	65,333,686	0	-65,333,686	-100%	549,022
TOOELE	38,070,230	38,070,230	0	0%	0
BASE X (ARMY)	5,843,983	5,843,983	0	0%	0
TOTAL	109,247,900	43,914,214	-65,333,686	-60%	659,936

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\\Desktop\COBRA 6.10\BRAC2005.SFF

Base	Plant Replacement Value (2005\$)				
	Start	Finish	Change	%Change	Chg/Per
HAWTHORNE DEPOT	3,596,013,700	0	-3,596,013,700	-100%	30,218,602
TOOLE	1,368,196,102	1,368,196,102	0	0%	0
BASE X (ARMY)	22,901,098	22,901,098	0	0%	0
TOTAL	4,987,110,900	1,391,097,200	-3,596,013,700	-72%	36,323,371

Department : Industrial
Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
05022005.CBR
Option Pkg Name: IND 0108 Close Hawthorne AD
Std Fctrs File : C:\Documents and Settings\\Desktop\COBRA 6.10\BRAC2005.SFF

- "Start" and "Finish" values for Personnel and BOS both include the Programmed Installation Population (non-BRAC) Changes, so that only changes attributable to the BRAC action are reflected in the "Change" columns of this report.

TOTAL COBRA REALIGNMENT DETAIL REPORT (COBRA v6.10) - Page 1/12
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Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\\Desktop\COBRA 6.10\BRAC2005.SFF

ONE-TIME COSTS -----(\$K)-----	2006 -----	2007 -----	2008 -----	2009 -----	2010 -----	2011 -----	Total -----
CONSTRUCTION							
MILCON	0	0	0	0	0	0	0
O&M							
CIV SALARY							
Civ RIF	0	0	0	0	0	402	402
Civ Retire	0	0	0	0	0	48	48
CIV MOVING							
Per Diem	0	0	0	0	0	122	122
POV Miles	0	0	0	0	0	7	7
Home Purch	0	0	0	0	0	408	408
HHG	0	0	0	0	0	135	135
Misc	0	0	0	0	0	20	20
House Hunt	0	0	0	0	0	89	89
PPP	0	0	0	0	0	177	177
RITA	0	0	0	0	0	181	181
FREIGHT							
Packing	0	0	0	0	0	1	1
Freight	0	0	0	0	0	11	11
Vehicles	0	0	0	0	0	0	0
Unemployment	0	0	0	0	0	31	31
OTHER							
Info Tech	0	0	0	0	0	4	4
Prog Manage	0	0	0	0	0	0	0
Supt Contract	0	0	0	0	0	0	0
Mothball	0	0	0	0	0	1,724	1,724
1-Time Move	0	0	46,700	46,700	46,700	0	140,099
MIL PERSONNEL							
MIL MOVING							
Per Diem	0	0	0	0	0	0	0
POV Miles	0	0	0	0	0	0	0
HHG	0	0	0	0	0	0	0
Misc	0	0	0	0	0	0	0
OTHER							
Elim PCS	0	0	0	0	0	309	309
OTHER							
HAP / RSE	0	0	0	0	0	0	0
Environmental	0	0	0	2,400	0	0	2,400
Misc Contract	0	0	0	0	0	0	0
1-Time Other	6,000	6,000	2,006	6	634	19,456	34,102
TOTAL ONE-TIME	6,000	6,000	48,706	49,106	47,333	23,127	180,272

TOTAL COBRA REALIGNMENT DETAIL REPORT (COBRA v6.10) - Page 2/12
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

RECURRINGCOSTS -----(\$K)-----	2006	2007	2008	2009	2010	2011	Total	Beyond
O&M								
Sustainment	0	0	0	0	0	0	0	0
Recap	0	0	0	0	0	0	0	0
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	37	37	37
TRICARE	0	0	0	0	0	0	0	0
MIL PERSONNEL								
Off Salary	0	0	0	0	0	0	0	0
Enl Salary	0	0	0	0	0	0	0	0
House Allow	0	0	0	0	0	0	0	0
OTHER								
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	0	0	0	0	0	37	37	37
TOTAL COST	6,000	6,000	48,706	49,106	47,333	23,164	180,309	37
ONE-TIME SAVES -----(\$K)-----	2006	2007	2008	2009	2010	2011	Total	
CONSTRUCTION								
MILCON	0	0	0	0	0	0	0	
O&M								
1-Time Move	0	0	0	0	0	0	0	
MIL PERSONNEL								
Mil Moving	0	0	0	0	0	0	0	
OTHER								
Environmental	0	0	0	0	0	0	0	
1-Time Other	0	0	0	0	0	0	0	
TOTAL ONE-TIME	0	0	0	0	0	0	0	
RECURRINGSAVES -----(\$K)-----	2006	2007	2008	2009	2010	2011	Total	Beyond
FAM HOUSE OPS	0	0	0	0	0	0	0	0
O&M								
Sustainment	0	0	0	0	0	25,858	25,858	30,421
Recap	34,913	34,913	34,913	34,913	34,913	34,913	209,476	34,913
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	831	831	1,662
MIL PERSONNEL								
Off Salary	0	0	0	0	0	125	125	250
Enl Salary	0	0	0	0	0	2,966	2,966	5,933
House Allow	0	0	0	0	0	274	274	274
OTHER								
Procurement	0	0	0	0	0	0	0	0
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	34,913	34,913	34,913	34,913	34,913	64,967	239,531	73,453
TOTAL SAVINGS	34,913	34,913	34,913	34,913	34,913	64,967	239,531	73,453

TOTAL COBRA REALIGNMENT DETAIL REPORT (COBRA v6.10) - Page 3/12
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

ONE-TIME NET	2006	2007	2008	2009	2010	2011	Total	
-----(\$K)-----	----	----	----	----	----	----	-----	
CONSTRUCTION								
MILCON	0	0	0	0	0	0	0	
O&M								
Civ Retir/RIF	0	0	0	0	0	450	450	
Civ Moving	0	0	0	0	0	1,153	1,153	
Info Tech	0	0	0	0	0	4	4	
Other	0	0	46,700	46,700	46,700	1,755	141,854	
MIL PERSONNEL								
Mil Moving	0	0	0	0	0	309	309	
OTHER								
HAP / RSE	0	0	0	0	0	0	0	
Environmental	0	0	0	2,400	0	0	2,400	
Misn Contract	0	0	0	0	0	0	0	
1-Time Other	6,000	6,000	2,006	6	634	19,456	34,102	
TOTAL ONE-TIME	6,000	6,000	48,706	49,106	47,333	23,127	177,872	
RECURRING NET								
-----(\$K)-----	----	----	----	----	----	----	-----	Beyond
FAM HOUSE OPS	0	0	0	0	0	0	0	0
O&M								
Sustainment	0	0	0	0	0	-25,858	-25,858	-30,421
Recap	-34,913	-34,913	-34,913	-34,913	-34,913	-34,913	-209,476	-34,913
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	-794	-794	-1,625
TRICARE	0	0	0	0	0	0	0	0
MIL PERSONNEL								
Mil Salary	0	0	0	0	0	-3,091	-3,091	-6,183
House Allow	0	0	0	0	0	-274	-274	-274
OTHER								
Procurement	0	0	0	0	0	0	0	0
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	-34,913	-34,913	-34,913	-34,913	-34,913	-64,930	-239,494	-73,416
TOTAL NET COST	-28,913	-28,913	13,793	14,193	12,421	-41,803	-59,222	-73,416

COBRA REALIGNMENT DETAIL REPORT (COBRA v6.10) - Page 4/12
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: HAWTHORNE DEPOT, NV (3235L)

ONE-TIME COSTS	2006	2007	2008	2009	2010	2011	Total
-----(\$K)-----	----	----	----	----	----	----	-----
CONSTRUCTION							
MILCON	0	0	0	0	0	0	0
O&M							
CIV SALARY							
Civ RIFs	0	0	0	0	0	402	402
Civ Retire	0	0	0	0	0	48	48
CIV MOVING							
Per Diem	0	0	0	0	0	122	122
POV Miles	0	0	0	0	0	7	7
Home Purch	0	0	0	0	0	408	408
HHG	0	0	0	0	0	135	135
Misc	0	0	0	0	0	20	20
House Hunt	0	0	0	0	0	89	89
PPP	0	0	0	0	0	177	177
RITA	0	0	0	0	0	181	181
FREIGHT							
Packing	0	0	0	0	0	1	1
Freight	0	0	0	0	0	11	11
Vehicles	0	0	0	0	0	0	0
Unemployment	0	0	0	0	0	31	31
OTHER							
Info Tech	0	0	0	0	0	4	4
Prog Manage	0	0	0	0	0	0	0
Supt Contract	0	0	0	0	0	0	0
Mothball	0	0	0	0	0	1,724	1,724
1-Time Move	0	0	31,574	31,574	31,574	0	94,723
MIL PERSONNEL							
MIL MOVING							
Per Diem	0	0	0	0	0	0	0
POV Miles	0	0	0	0	0	0	0
HHG	0	0	0	0	0	0	0
Misc	0	0	0	0	0	0	0
OTHER							
Elim PCS	0	0	0	0	0	309	309
OTHER							
HAP / RSE	0	0	0	0	0	0	0
Environmental	0	0	0	1,300	0	0	1,300
Misc Contract	0	0	0	0	0	0	0
1-Time Other	0	0	0	0	634	19,456	20,090
TOTAL ONE-TIME	0	0	31,574	32,874	32,208	23,127	119,783

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\\Desktop\COBRA 6.10\BRAC2005.SFF

Base: HAWTHORNE DEPOT, NV (3235L)	2006	2007	2008	2009	2010	2011	Total	Beyond
RECURRINGCOSTS								
-----(\$K)-----	-----	-----	-----	-----	-----	-----	-----	-----
O&M								
Sustainment	0	0	0	0	0	0	0	0
Recap	0	0	0	0	0	0	0	0
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	0	0	0
TRICARE	0	0	0	0	0	0	0	0
MIL PERSONNEL								
Off Salary	0	0	0	0	0	0	0	0
Enl Salary	0	0	0	0	0	0	0	0
House Allow	0	0	0	0	0	0	0	0
OTHER								
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	0	0	0	0	0	0	0	0
TOTAL COSTS	0	0	31,574	32,874	32,208	23,127	119,783	0
ONE-TIME SAVES	2006	2007	2008	2009	2010	2011	Total	
-----(\$K)-----	-----	-----	-----	-----	-----	-----	-----	
CONSTRUCTION								
MILCON	0	0	0	0	0	0	0	
O&M								
1-Time Move	0	0	0	0	0	0	0	
MIL PERSONNEL								
Mil Moving	0	0	0	0	0	0	0	
OTHER								
Environmental	0	0	0	0	0	0	0	
1-Time Other	0	0	0	0	0	0	0	
TOTAL ONE-TIME	0	0	0	0	0	0	0	
RECURRINGSAVES	2006	2007	2008	2009	2010	2011	Total	Beyond
-----(\$K)-----	-----	-----	-----	-----	-----	-----	-----	-----
FAM HOUSE OPS	0	0	0	0	0	0	0	0
O&M								
Sustainment	0	0	0	0	0	25,858	25,858	30,421
Recap	34,913	34,913	34,913	34,913	34,913	34,913	209,476	34,913
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	831	831	1,662
MIL PERSONNEL								
Off Salary	0	0	0	0	0	125	125	250
Enl Salary	0	0	0	0	0	2,966	2,966	5,933
House Allow	0	0	0	0	0	274	274	274
OTHER								
Procurement	0	0	0	0	0	0	0	0
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	34,913	34,913	34,913	34,913	34,913	64,967	239,531	73,453
TOTAL SAVINGS	34,913	34,913	34,913	34,913	34,913	64,967	239,531	73,453

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: HAWTHORNE DEPOT, NV (3235L)

ONE-TIME NET	2006	2007	2008	2009	2010	2011	Total	
-----(\$K)-----	----	----	----	----	----	----	-----	
CONSTRUCTION								
MILCON	0	0	0	0	0	0	0	
O&M								
Civ Retir/RIF	0	0	0	0	0	450	450	
Civ Moving	0	0	0	0	0	1,153	1,153	
Info Tech	0	0	0	0	0	4	4	
Other	0	0	31,574	31,574	31,574	1,755	96,478	
MIL PERSONNEL								
Mil Moving	0	0	0	0	0	309	309	
OTHER								
HAP / RSE	0	0	0	0	0	0	0	
Environmental	0	0	0	1,300	0	0	1,300	
Misn Contract	0	0	0	0	0	0	0	
1-Time Other	0	0	0	0	634	19,456	20,090	
TOTAL ONE-TIME	0	0	31,574	32,874	32,208	23,127	119,783	
RECURRING NET								
-----(\$K)-----	2006	2007	2008	2009	2010	2011	Total	Beyond
-----(\$K)-----	----	----	----	----	----	----	-----	-----
FAM HOUSE OPS								
O&M								
Sustainment	0	0	0	0	0	-25,858	-25,858	-30,421
Recap	-34,913	-34,913	-34,913	-34,913	-34,913	-34,913	-209,476	-34,913
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	-831	-831	-1,662
TRICARE	0	0	0	0	0	0	0	0
MIL PERSONNEL								
Mil Salary	0	0	0	0	0	-3,091	-3,091	-6,183
House Allow	0	0	0	0	0	-274	-274	-274
OTHER								
Procurement	0	0	0	0	0	0	0	0
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	-34,913	-34,913	-34,913	-34,913	-34,913	-64,967	-239,531	-73,453
TOTAL NET COST	-34,913	-34,913	-3,338	-2,038	-2,705	-41,840	-119,747	-73,453

COBRA REALIGNMENT DETAIL REPORT (COBRA v6.10) - Page 7/12
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: TOOELE, UT (49878)	2006	2007	2008	2009	2010	2011	Total
ONE-TIME COSTS	-----	-----	-----	-----	-----	-----	-----
-----(\$K)-----							
CONSTRUCTION							
MILCON	0	0	0	0	0	0	0
O&M							
CIV SALARY							
Civ RIFs	0	0	0	0	0	0	0
Civ Retire	0	0	0	0	0	0	0
CIV MOVING							
Per Diem	0	0	0	0	0	0	0
POV Miles	0	0	0	0	0	0	0
Home Purch	0	0	0	0	0	0	0
HHG	0	0	0	0	0	0	0
Misc	0	0	0	0	0	0	0
House Hunt	0	0	0	0	0	0	0
PPP	0	0	0	0	0	0	0
RITA	0	0	0	0	0	0	0
PREIGHT							
Packing	0	0	0	0	0	0	0
Freight	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0
Unemployment	0	0	0	0	0	0	0
OTHER							
Info Tech	0	0	0	0	0	0	0
Prog Manage	0	0	0	0	0	0	0
Supt Contrac	0	0	0	0	0	0	0
Mothball	0	0	0	0	0	0	0
1-Time Move	0	0	15,125	15,125	15,125	0	45,376
MIL PERSONNEL							
MIL MOVING							
Per Diem	0	0	0	0	0	0	0
POV Miles	0	0	0	0	0	0	0
HHG	0	0	0	0	0	0	0
Misc	0	0	0	0	0	0	0
OTHER							
Elim PCS	0	0	0	0	0	0	0
OTHER							
HAP / RSE	0	0	0	0	0	0	0
Environmental	0	0	0	1,100	0	0	1,100
Miscn Contract	0	0	0	0	0	0	0
1-Time Other	6,000	6,000	2,006	6	0	0	14,012
TOTAL ONE-TIME	6,000	6,000	17,131	16,231	15,125	0	60,488

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: TOOELE, UT (49878)								
ONE-TIME NET	2006	2007	2008	2009	2010	2011	Total	
---- (\$K) ----	----	----	----	----	----	----	-----	
CONSTRUCTION								
MILCON	0	0	0	0	0	0	0	
O&M								
Civ Retir/RIF	0	0	0	0	0	0	0	
Civ Moving	0	0	0	0	0	0	0	
Info Tech	0	0	0	0	0	0	0	
Other	0	0	15,125	15,125	15,125	0	45,376	
MIL PERSONNEL								
Mil Moving	0	0	0	0	0	0	0	
OTHER								
HAP / RSE	0	0	0	0	0	0	0	
Environmental	0	0	0	1,100	0	0	1,100	
Misn Contract	0	0	0	0	0	0	0	
1-Time Other	6,000	6,000	2,006	6	0	0	14,012	
TOTAL ONE-TIME	6,000	6,000	17,131	16,231	15,125	0	60,488	
RECURRING NET								
---- (\$K) ----	----	----	----	----	----	----	-----	-----
FAM HOUSE OPS	0	0	0	0	0	0	0	0
O&M								
Sustainment	0	0	0	0	0	0	0	0
Recap	0	0	0	0	0	0	0	0
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	0	0	0
TRICARE	0	0	0	0	0	0	0	0
MIL PERSONNEL								
Mil Salary	0	0	0	0	0	0	0	0
House Allow	0	0	0	0	0	0	0	0
OTHER								
Procurement	0	0	0	0	0	0	0	0
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	0	0	0	0	0	0	0	0
TOTAL NET COST	6,000	6,000	17,131	16,231	15,125	0	60,488	0

COBRA REALIGNMENT DETAIL REPORT (COBRA v6.10) - Page 10/12
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Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: BASE X (ARMY), US (XARMY)	2006	2007	2008	2009	2010	2011	Total
ONE-TIME COSTS	-----	-----	-----	-----	-----	-----	-----
----(\$K)----	----	----	----	----	----	----	----
CONSTRUCTION							
MILCON	0	0	0	0	0	0	0
O&M							
CIV SALARY							
Civ RIFs	0	0	0	0	0	0	0
Civ Retire	0	0	0	0	0	0	0
CIV MOVING							
Per Diem	0	0	0	0	0	0	0
POV Miles	0	0	0	0	0	0	0
Home Purch	0	0	0	0	0	0	0
HHG	0	0	0	0	0	0	0
Misc	0	0	0	0	0	0	0
House Hunt	0	0	0	0	0	0	0
PPP	0	0	0	0	0	0	0
RITA	0	0	0	0	0	0	0
FREIGHT							
Packing	0	0	0	0	0	0	0
Freight	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0
Unemployment	0	0	0	0	0	0	0
OTHER							
Info Tech	0	0	0	0	0	0	0
Prog Manage	0	0	0	0	0	0	0
Supt Contract	0	0	0	0	0	0	0
Mothball	0	0	0	0	0	0	0
1-Time Move	0	0	0	0	0	0	0
MIL PERSONNEL							
MIL MOVING							
Per Diem	0	0	0	0	0	0	0
POV Miles	0	0	0	0	0	0	0
HHG	0	0	0	0	0	0	0
Misc	0	0	0	0	0	0	0
OTHER							
Elim PCS	0	0	0	0	0	0	0
OTHER							
HAP / RSE	0	0	0	0	0	0	0
Environmental	0	0	0	0	0	0	0
Misc Contract	0	0	0	0	0	0	0
1-Time Other	0	0	0	0	0	0	0
TOTAL ONE-TIME	0	0	0	0	0	0	0

COBRA REALIGNMENT DETAIL REPORT (COBRA v6.10) - Page 12/12
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: BASE X (ARMY), US (XARMY)								
ONE-TIME NET	2006	2007	2008	2009	2010	2011	Total	
-----(\$K)-----	----	----	----	----	----	----	-----	
CONSTRUCTION								
MILCON	0	0	0	0	0	0	0	
O&M								
Civ Retir/RIF	0	0	0	0	0	0	0	
Civ Moving	0	0	0	0	0	0	0	
Info Tech	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	
MIL PERSONNEL								
Mil Moving	0	0	0	0	0	0	0	
OTHER								
HAP / RSE	0	0	0	0	0	0	0	
Environmental	0	0	0	0	0	0	0	
Misn Contract	0	0	0	0	0	0	0	
1-Time Other	0	0	0	0	0	0	0	
TOTAL ONE-TIME	0	0	0	0	0	0	0	
RECURRING NET								
-----(\$K)-----	2006	2007	2008	2009	2010	2011	Total	Beyond
-----(\$K)-----	----	----	----	----	----	----	-----	-----
FAM HOUSE OPS	0	0	0	0	0	0	0	0
O&M								
Sustainment	0	0	0	0	0	0	0	0
Recap	0	0	0	0	0	0	0	0
BOS	0	0	0	0	0	0	0	0
Civ Salary	0	0	0	0	0	37	37	37
TRICARE	0	0	0	0	0	0	0	0
MIL PERSONNEL								
Mil Salary	0	0	0	0	0	0	0	0
House Allow	0	0	0	0	0	0	0	0
OTHER								
Procurement	0	0	0	0	0	0	0	0
Mission Activ	0	0	0	0	0	0	0	0
Misc Recur	0	0	0	0	0	0	0	0
TOTAL RECUR	0	0	0	0	0	37	37	37
TOTAL NET COST	0	0	0	0	0	37	37	37

COBRA ECONOMIC IMPACT REPORT (COBRA v6.10)

Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:56 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

HAWTHORNE DEPOT, NV (3235L)							
	2006	2007	2008	2009	2010	2011	Total
Jobs Gained-Mil	0	0	0	0	0	0	0
Jobs Lost-Mil	0	0	0	0	0	74	74
NET CHANGE-Mil	0	0	0	0	0	-74	-74
Jobs Gained-Civ	0	0	0	0	0	0	0
Jobs Lost-Civ	0	0	0	0	0	45	45
NET CHANGE-Civ	0	0	0	0	0	-45	-45
Jobs Gained-Stu	0	0	0	0	0	0	0
Jobs Lost-Stu	0	0	0	0	0	0	0
NET CHANGE-Stu	0	0	0	0	0	0	0

TOOELE, UT (49878)							
	2006	2007	2008	2009	2010	2011	Total
Jobs Gained-Mil	0	0	0	0	0	0	0
Jobs Lost-Mil	0	0	0	0	0	0	0
NET CHANGE-Mil	0	0	0	0	0	0	0
Jobs Gained-Civ	0	0	0	0	0	0	0
Jobs Lost-Civ	0	0	0	0	0	0	0
NET CHANGE-Civ	0	0	0	0	0	0	0
Jobs Gained-Stu	0	0	0	0	0	0	0
Jobs Lost-Stu	0	0	0	0	0	0	0
NET CHANGE-Stu	0	0	0	0	0	0	0

BASE X (ARMY), US (XARMY)							
	2006	2007	2008	2009	2010	2011	Total
Jobs Gained-Mil	0	0	0	0	0	0	0
Jobs Lost-Mil	0	0	0	0	0	0	0
NET CHANGE-Mil	0	0	0	0	0	0	0
Jobs Gained-Civ	0	0	0	0	0	20	20
Jobs Lost-Civ	0	0	0	0	0	0	0
NET CHANGE-Civ	0	0	0	0	0	20	20
Jobs Gained-Stu	0	0	0	0	0	0	0
Jobs Lost-Stu	0	0	0	0	0	0	0
NET CHANGE-Stu	0	0	0	0	0	0	0

SCENARIO ERROR REPORT (COBRA v6.10)

Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:56 AM

Department : Industrial
Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
05022005.CBR
Option Pkg Name: IND 0108 Close Hawthorne AD
Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

SCENARIO DATA:

"Industrial" is not a recognized Department.

COBRA INPUT DATA REPORT (COBRA v6.10)

Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:56 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

INPUT SCREEN ONE - GENERAL SCENARIO INFORMATION

Model Year One : FY 2006
 Model does Time-Phasing of Construction/Shutdown: Yes

Base Name, ST (Code)	Strategy:
-----	-----
HAWTHORNE DEPOT, NV (3235L)	Closes in FY 2011
TOOELE, UT (49878)	Realignment
BASE X (ARMY), US (XARMY)	Realignment

INPUT SCREEN TWO - DISTANCE TABLE

(Only shows distances where personnel or equipment are moving)

Point A:	Point B:	Distance:
-----	-----	-----
HAWTHORNE DEPOT, NV (3235L)	BASE X (ARMY), US (XARMY)	1,750 mi

INPUT SCREEN THREE - MOVEMENT TABLE

Transfers from HAWTHORNE DEPOT, NV (3235L) to BASE X (ARMY), US (XARMY)

	2006	2007	2008	2009	2010	2011
	----	----	----	----	----	----
Officer Positions:	0	0	0	0	0	0
Enlisted Positions:	0	0	0	0	0	0
Civilian Positions:	0	0	0	0	0	20
Student Positions:	0	0	0	0	0	0
NonVeh Missn Eqpt (tons):	0	0	0	0	0	0
Suppt Eqpt (tons):	0	0	0	0	0	0
Military Light Vehicles:	0	0	0	0	0	0
Heavy/Special Vehicles:	0	0	0	0	0	0

INPUT SCREEN FOUR - STATIC BASE INFORMATION

Name: HAWTHORNE DEPOT, NV (3235L)

Total Officer Employees:	2	Base Service (for BOS/Sust):	Army
Total Enlisted Employees:	72	Total Sustainment (\$K/Year):	30,421
Total Student Employees:	0	Sustain Payroll (\$K/Year):	0
Total Civilian Employees:	45	BOS Non-Payroll (\$K/Year):	0
Accomp Mil not Receiving BAH:	43.3%	BOS Payroll (\$K/Year):	0
Officer Housing Units Avail:	0	Family Housing (\$K/Year):	133
Enlisted Housing Units Avail:	0	Installation PRV(\$K):	3,596,014
Starting Facilities(KSF):	9,578	Svc/Agcy Recap Rate (Years):	103
Officer BAH (\$/Month):	1,304	Homeowner Assistance Program:	No
Enlisted BAH (\$/Month):	979		
Civ Locality Pay Factor:	1.109	TRICARE	In-Pat Out-Pat
Area Cost Factor:	1.16		Admits Visits Prescrip
Per Diem Rate (\$/Day):	86	CostFactor	0.00 0.00 0.00
Freight Cost (\$/Ton/Mile):	0.33	Actv MTF	0 0 0
Vehicle Cost (\$/Lift/Mile):	4.84	Actv Purch	0 0 0
Latitude:	0.000000	Retiree	0 0 0
Longitude:	0.000000	Retiree65+	0 0 0

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

INPUT SCREEN FOUR - STATIC BASE INFORMATION

Name: TOOELE, UT (49878)

Total Officer Employees:	38	Base Service (for BOS/Sust):	Army
Total Enlisted Employees:	519	Total Sustainment(\$K/Year):	8,200
Total Student Employees:	0	Sustain Payroll (\$K/Year):	1,287
Total Civilian Employees:	526	BOS Non-Payroll (\$K/Year):	17,874
Accomp Mil not Receiving BAH:	0.0%	BOS Payroll (\$K/Year):	15,984
Officer Housing Units Avail:	1	Family Housing (\$K/Year):	22
Enlisted Housing Units Avail:	0	Installation PRV(\$K):	1,368,196
Starting Facilities(KSF):	9,415	Svc/Agcy Recap Rate (Years):	103
Officer BAH (\$/Month):	981	Homeowner Assistance Program:	Yes
Enlisted BAH (\$/Month):	737		
Civ Locality Pay Factor:	1.109	TRICARE	In-Pat Out-Pat
Area Cost Factor:	1.05		Admits Visits Prescrip
Per Diem Rate (\$/Day):	119	CostFactor	4,160.52 84.00 0.00
Freight Cost (\$/Ton/Mile):	0.33	Actv MTF	0 1,092 0
Vehicle Cost (\$/Lift/Mile):	4.84	Actv Purch	33 1,888
Latitude:	40.533333	Retiree	0 2,617 0
Longitude:	-112.300000	Retiree65+	0 32 0

Name: BASE X (ARMY), US (XARMY)

Total Officer Employees:	1	Base Service (for BOS/Sust):	Army
Total Enlisted Employees:	7	Total Sustainment(\$K/Year):	262
Total Student Employees:	0	Sustain Payroll (\$K/Year):	143
Total Civilian Employees:	101	BOS Non-Payroll (\$K/Year):	0
Accomp Mil not Receiving BAH:	0.0%	BOS Payroll (\$K/Year):	0
Officer Housing Units Avail:	0	Family Housing (\$K/Year):	92
Enlisted Housing Units Avail:	0	Installation PRV(\$K):	22,901
Starting Facilities(KSF):	61	Svc/Agcy Recap Rate (Years):	4
Officer BAH (\$/Month):	1,676	Homeowner Assistance Program:	No
Enlisted BAH (\$/Month):	1,219		
Civ Locality Pay Factor:	1.140	TRICARE	In-Pat Out-Pat
Area Cost Factor:	1.08		Admits Visits Prescrip
Per Diem Rate (\$/Day):	174	CostFactor	0.00 0.00 0.00
Freight Cost (\$/Ton/Mile):	0.33	Actv MTF	0 0 0
Vehicle Cost (\$/Lift/Mile):	4.84	Actv Purch	0 0
Latitude:	0.000000	Retiree	0 0 0
Longitude:	0.000000	Retiree65+	0 0 0

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

INPUT SCREEN FIVE - DYNAMIC BASE INFORMATION

Name: HAWTHORNE DEPOT, NV (3235L)

	2006	2007	2008	2009	2010	2011
	----	----	----	----	----	----
1-Time Unique Cost (\$K):	0	0	0	0	634	19,456
1-Time Unique Save (\$K):	0	0	0	0	0	0
1-Time Moving Cost (\$K):	0	0	31,574	31,574	31,574	0
1-Time Moving Save (\$K):	0	0	0	0	0	0
Env Non-MilCon Reqd(\$K):	0	0	0	1,300	0	0
Activ Mission Cost (\$K):	0	0	0	0	0	0
Activ Mission Save (\$K):	0	0	0	0	0	0
Misn Contract Start(\$K):	0	0	0	0	0	0
Misn Contract Term (\$K):	0	0	0	0	0	0
Supt Contract Term (\$K):	0	0	0	0	0	0
Misc Recurring Cost(\$K):	0	0	0	0	0	0
Misc Recurring Save(\$K):	0	0	0	0	0	0
One-Time IT Costs (\$K):	0	0	0	0	0	0
Construction Schedule(%):	0%	0%	0%	0%	0%	0%
Shutdown Schedule (%):	0%	0%	0%	0%	0%	0%
Misn Milcon Avoidnc(\$K):	0	0	0	0	0	0
Procurement Avoidnc(\$K):	0	0	0	0	0	0
MTF Closure Action:	None Fac ShDn(KSF):			9,578	FH ShDn:	0.000%

Name: TOOELE, UT (49878)

	2006	2007	2008	2009	2010	2011
	----	----	----	----	----	----
1-Time Unique Cost (\$K):	6,000	6,000	2,006	6	0	0
1-Time Unique Save (\$K):	0	0	0	0	0	0
1-Time Moving Cost (\$K):	0	0	15,125	15,125	15,125	0
1-Time Moving Save (\$K):	0	0	0	0	0	0
Env Non-MilCon Reqd(\$K):	0	0	0	1,100	0	0
Activ Mission Cost (\$K):	0	0	0	0	0	0
Activ Mission Save (\$K):	0	0	0	0	0	0
Misn Contract Start(\$K):	0	0	0	0	0	0
Misn Contract Term (\$K):	0	0	0	0	0	0
Supt Contract Term (\$K):	0	0	0	0	0	0
Misc Recurring Cost(\$K):	0	0	0	0	0	0
Misc Recurring Save(\$K):	0	0	0	0	0	0
One-Time IT Costs (\$K):	0	0	0	0	0	0
Construction Schedule(%):	0%	0%	0%	0%	0%	0%
Shutdown Schedule (%):	0%	0%	0%	0%	0%	0%
Misn Milcon Avoidnc(\$K):	0	0	0	0	0	0
Procurement Avoidnc(\$K):	0	0	0	0	0	0
MTF Closure Action:	None Fac ShDn(KSF):			0	FH ShDn:	0.000%

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

INPUT SCREEN FIVE - DYNAMIC BASE INFORMATION

Name: BASE X (ARMY), US (XARMY)

	2006	2007	2008	2009	2010	2011
1-Time Unique Cost (\$K):	0	0	0	0	0	0
1-Time Unique Save (\$K):	0	0	0	0	0	0
1-Time Moving Cost (\$K):	0	0	0	0	0	0
1-Time Moving Save (\$K):	0	0	0	0	0	0
Env Non-MilCon Reqd(\$K):	0	0	0	0	0	0
Activ Mission Cost (\$K):	0	0	0	0	0	0
Activ Mission Save (\$K):	0	0	0	0	0	0
Misn Contract Start(\$K):	0	0	0	0	0	0
Misn Contract Term (\$K):	0	0	0	0	0	0
Supt Contract Term (\$K):	0	0	0	0	0	0
Misc Recurring Cost(\$K):	0	0	0	0	0	0
Misc Recurring Save(\$K):	0	0	0	0	0	0
One-Time IT Costs (\$K):	0	0	0	0	0	0
Construction Schedule(%):	0%	0%	0%	0%	0%	0%
Shutdown Schedule (%):	0%	0%	0%	0%	0%	0%
Misn Milcon Avoidnc(\$K):	0	0	0	0	0	0
Procurement Avoidnc(\$K):	0	0	0	0	0	0
MTF Closure Action:	None	Fac ShDn(KSF):		0	FH ShDn:	0.000%

INPUT SCREEN SIX - BASE PERSONNEL INFORMATION

Name: HAWTHORNE DEPOT, NV (3235L)

	2006	2007	2008	2009	2010	2011
Off Scenario Change:	0	0	0	0	0	-2
Enl Scenario Change:	0	0	0	0	0	-72
Civ Scenario Change:	0	0	0	0	0	-25
Off Prog nonBRAC Change:	0	0	0	0	0	0
Enl Prog nonBRAC Change:	0	0	0	0	0	0
Civ Prog nonBRAC Change:	0	0	0	0	0	0
Stu Prog nonBRAC Change:	0	0	0	0	0	0
Prog FH Privatization:	0%	0%	0%	0%	0%	0%

STANDARD FACTORS SCREEN ONE - PERSONNEL

SF File Descrip:

Perc Officers Accompanied:	72.00%	Priority Placement Program:	39.97%
Perc Enlisted Accompanied:	55.00%	PPP Actions Involving PCS:	50.70%
Officer Salary(\$/Year):	124,971.93	Civilian PCS Costs (\$):	35,496.00
Enlisted Salary(\$/Year):	82,399.09	Home Sale Reimburse Rate:	10.00%
Civilian Salary(\$/Year):	59,959.18	Max Home Sale Reimburs(\$):	50,000.00
Avg Unemploy Cost(\$/Week):	272.90	Home Purch Reimburse Rate:	5.00%
Unemployment Eligibility(Weeks):	16	Max Home Purch Reimburs(\$):	25,000.00
Civilians Not Willing To Move:	6.00%	Civilian Homeowning Rate:	68.40%
Civilian Turnover Rate:	9.16%	HAP Home Value Reimburse Rate:	13.46%
Civilian Early Retire Rate:	8.10%	HAP Homeowner Receiving Rate:	18.44%
Civilian Regular Retire Rate:	1.67%	RSE Home Value Reimburse Rate:	0.00%
Civilian RIF Pay Factor:	86.32%	RSE Homeowner Receiving Rate:	0.00%
Civ Early Retire Pay Factor:	18.03%		

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

STANDARD FACTORS SCREEN TWO - FACILITIES

	Army	Navy	Air Force	Marines
Service Sustainment Rate	87.00%	93.00%	92.00%	97.00%
Unit Cost Adjustment (BOS)	10332.00	8879.00	3032.00	3904.00
Program Management Factor:	10.00	MilCon Site Prep Cost (\$/SF):	0.74	
Mothball (Close) (\$/SF):	0.18	MilCon Contingency Plan Rate:	5.00%	
Mothball (Deac/Realn) (\$/SF):	0.45	MilCon Design Rate (Medical):	13.00%	
Rehab vs. MilCon (Default):	47.00%	MilCon Design Rate (Other):	9.00%	
Rehab vs. MilCon (Red):	64.00%	MilCon SIOH Rate:	6.00%	
Rehab vs. MilCon (Amber):	29.00%	Discount Rate for NPV/Payback:	2.80%	

STANDARD FACTORS SCREEN THREE - TRANSPORTATION

Material/Assigned Mil (Lb):	710	Storage-In-Transit (\$/Pers):	373.76
HHG Per Off Accomp (Lb):	15,290.00	POV Reimburse(\$/Mile):	0.20
HHG Per Enl Accomp (Lb):	9,204.00	Air Transport (\$/Pass Mile):	0.20
HHG Per Off Unaccomp (Lb):	13,712.00	IT Connect (\$/Person):	200.00
HHG Per Enl Unaccomp (Lb):	6,960.00	Misc Exp(\$/Direct Employee):	1,000.00
HHG Per Civilian (Lb):	18,000.00	Avg Mil Tour Length (Months):	30.02
Total HHG Cost (\$/100Lb):	8.78	One-Time Off PCS Cost(\$):	10,477.58
Equip Pack & Crate(\$/Ton):	180.67	One-Time Enl PCS Cost(\$):	3,998.52

Department : Industrial
Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
05022005.CBR
Option Pkg Name: IND 0108 Close Hawthorne AD
Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

FOOTNOTES FOR SCREEN ONE

=====

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

FOOTNOTES FOR SCREEN THREE

=====

Per Army, there are 20 Civilians at Hawthorne who must be relocated as a result of post closure. Base X used until destination is determined. These are the 20 positions noted to move in FY 11. The goal is to complete demil mission by FY 11. Will keep them at Hawthorne until the demil mission is complete. Equipment movement is captured in Screen 5.

FOOTNOTES FOR SCREEN FIVE

=====

HAWTHORNE:

FY 08 \$31,574k: Cost to ship 59,481 STS of stock (MA-2 Action 7)

FY 09 \$31,574k: Cost to ship 59,481 STS of stock (MA-2 Action 7)

FY 09 \$1,300k: From page 4 of criteria 8, Summary of Scenario Environmental Impacts, "COBRA costs"; for environmental baseline survey (EBS); FY 09 was selected because the shipment of serviceable stock begins in FY 08 and finishes in FY 10 and the Military Departments wants to make sure permits, waivers, and restrictions are in place by FY 08 and decommissioning is complete by the end of FY 11.

FY 10 \$31,574k: Cost to ship 59,481 STS of stock (MA-2 Action 7)

FY 10 \$633.7k: Cost to move 16" Navy Gun Tubes to Crane (PCH and transportation)

FY 11 \$19,456k: Movement of PODS, RF9 rotary furnace, hot gas decontamination equipment, washout, and APE (MA-12 Action 8)

TOOELE:

FY 06 \$6,000k: Cost for buildings to house equipment (MA-12 Action 8)

FY 07 \$6,000k: Cost for buildings to house equipment (MA-12 Action 8)

FY 08 \$2,006k: \$2,000 Cost for buildings to house equipment (MA-12 Action 8)

\$6 Cost for training

FY 08 \$15,125k: Cost to receipt 59,481 STONS (MA-2 Action 7)

FY 09 \$15,125k: Cost to receipt 59,481 STONS (MA-2 Action 7)

FY 09 \$1,100k: From page 4 of criteria 8, Summary of Scenario Environmental Impacts, "COBRA costs"; for environmental New Source Review, Environmental Industrial Study (EIS); FY 09 was selected because the shipment of serviceable stock begins in FY 08 and finishes in FY 10 and the Military Departments wants to make sure permits, waivers, and restrictions are in place by FY 08 and decommissioning is complete by the end of FY 11.

FY 10 \$15,125k: Cost to receipt 59,481 STONS (MA-2 Action 7)

FOOTNOTES FOR SCREEN SIX

=====

OFF/ENL/CIV Scenario Change numbers are derived from Screen Four - Total Officer Employees, Total Enlisted Employees, and Total Civilian Employees minus the 20 civilians employees moved in Screen 3

TOTAL COBRA MILITARY CONSTRUCTION ASSETS REPORT (COBRA v6.10)
Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
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Option Pkg Name: IND 0108 Close Hawthorne AD
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All values in 2005 Constant Dollars

Base Name	Total MilCon*	Milcon Cost Avoidance	Total Net Costs
HAWTHORNE DEPOT	0	0	0
TOOELE	0	0	0
BASE X (ARMY)	0	0	0
Totals:	0	0	0

* All MilCon Costs include Design, Site Preparation, Contingency Planning, and SIOH Costs where applicable.

COBRA NET PRESENT VALUES REPORT (COBRA v6.10)

Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:57 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SPF

Year	Cost(\$)	Adjusted Cost(\$)	NPV(\$)
2006	-28,912,754	-28,516,282	-28,516,282
2007	-28,912,754	-27,739,574	-56,255,857
2008	13,792,966	12,872,855	-43,383,002
2009	14,192,966	12,885,380	-30,497,622
2010	12,420,666	10,969,223	-19,528,399
2011	-41,803,145	-35,912,598	-55,440,997
2012	-73,415,662	-61,352,671	-116,793,668
2013	-73,415,662	-59,681,587	-176,475,255
2014	-73,415,662	-58,056,018	-234,531,273
2015	-73,415,662	-56,474,726	-291,005,999
2016	-73,415,662	-54,936,504	-345,942,503
2017	-73,415,662	-53,440,179	-399,382,682
2018	-73,415,662	-51,984,610	-451,367,291
2019	-73,415,662	-50,568,686	-501,935,978
2020	-73,415,662	-49,191,329	-551,127,307
2021	-73,415,662	-47,851,488	-598,978,795
2022	-73,415,662	-46,548,140	-645,526,934
2023	-73,415,662	-45,280,291	-690,807,226
2024	-73,415,662	-44,046,976	-734,854,202
2025	-73,415,662	-42,847,253	-777,701,455

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

(All values in 2005 Constant Dollars)

Category	Cost	Sub-Total
-----	----	-----
Construction		
Military Construction	0	
Total - Construction		0
Personnel		
Civilian RIF	401,788	
Civilian Early Retirement	47,956	
Eliminated Military PCS	308,849	
Unemployment	31,157	
Total - Personnel		789,749
Overhead		
Program Management Cost	0	
Support Contract Termination	0	
Mothball / Shutdown	1,724,040	
Total - Overhead		1,724,040
Moving		
Civilian Moving	962,783	
Civilian PPP	177,480	
Military Moving	0	
Freight	12,822	
Information Technologies	4,000	
One-Time Moving Costs	140,099,160	
Total - Moving		141,256,245
Other		
HAP / RSE	0	
Environmental Mitigation Costs	2,400,000	
Mission Contract Startup and Termination	0	
One-Time Unique Costs	34,101,680	
Total - Other		36,501,680
Total One-Time Costs		180,271,714
One-Time Savings		
Military Construction Cost Avoidances	0	
Military Moving	0	
One-Time Moving Savings	0	
Environmental Mitigation Savings	0	
One-Time Unique Savings	0	
Total One-Time Savings		0
Total Net One-Time Costs		180,271,714

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: HAWTHORNE DEPOT, NV (3235L)
 (All values in 2005 Constant Dollars)

Category	Cost	Sub-Total
-----	----	-----
Construction		
Military Construction	0	
Total - Construction		0
Personnel		
Civilian RIF	401,788	
Civilian Early Retirement	47,956	
Eliminated Military PCS	308,849	
Unemployment	31,157	
Total - Personnel		789,749
Overhead		
Program Management Cost	0	
Support Contract Termination	0	
Mothball / Shutdown	1,724,040	
Total - Overhead		1,724,040
Moving		
Civilian Moving	962,783	
Civilian PPP	177,480	
Military Moving	0	
Freight	12,822	
Information Technologies	4,000	
One-Time Moving Costs	94,722,900	
Total - Moving		95,879,985
Other		
HAP / RSE	0	
Environmental Mitigation Costs	1,300,000	
Mission Contract Startup and Termination	0	
One-Time Unique Costs	20,089,680	
Total - Other		21,389,680
-----		-----
Total One-Time Costs		119,783,454
-----		-----
One-Time Savings		
Military Construction Cost Avoidances	0	
Military Moving	0	
One-Time Moving Savings	0	
Environmental Mitigation Savings	0	
One-Time Unique Savings	0	
-----		-----
Total One-Time Savings		0
-----		-----
Total Net One-Time Costs		119,783,454

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: TOOELE, UT (49878)
 (All values in 2005 Constant Dollars)

Category	Cost	Sub-Total
-----	----	-----
Construction		
Military Construction	0	
Total - Construction		0
Personnel		
Civilian RIF	0	
Civilian Early Retirement	0	
Eliminated Military PCS	0	
Unemployment	0	
Total - Personnel		0
Overhead		
Program Management Cost	0	
Support Contract Termination	0	
Mothball / Shutdown	0	
Total - Overhead		0
Moving		
Civilian Moving	0	
Civilian PPP	0	
Military Moving	0	
Freight	0	
Information Technologies	0	
One-Time Moving Costs	45,376,260	
Total - Moving		45,376,260
Other		
HAP / RSE	0	
Environmental Mitigation Costs	1,100,000	
Mission Contract Startup and Termination	0	
One-Time Unique Costs	14,012,000	
Total - Other		15,112,000

Total One-Time Costs		60,488,260

One-Time Savings		
Military Construction Cost Avoidances	0	
Military Moving	0	
One-Time Moving Savings	0	
Environmental Mitigation Savings	0	
One-Time Unique Savings	0	

Total One-Time Savings		0

Total Net One-Time Costs		60,488,260

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: BASE X (ARMY), US (XARMY)
 (All values in 2005 Constant Dollars)

Category	Cost	Sub-Total
-----	----	-----
Construction		
Military Construction	0	
Total - Construction		0
Personnel		
Civilian RIF	0	
Civilian Early Retirement	0	
Eliminated Military PCS	0	
Unemployment	0	
Total - Personnel		0
Overhead		
Program Management Cost	0	
Support Contract Termination	0	
Mothball / Shutdown	0	
Total - Overhead		0
Moving		
Civilian Moving	0	
Civilian PPP	0	
Military Moving	0	
Freight	0	
Information Technologies	0	
One-Time Moving Costs	0	
Total - Moving		0
Other		
HAP / RSE	0	
Environmental Mitigation Costs	0	
Mission Contract Startup and Termination	0	
One-Time Unique Costs	0	
Total - Other		0

Total One-Time Costs		0

One-Time Savings		
Military Construction Cost Avoidances	0	
Military Moving	0	
One-Time Moving Savings	0	
Environmental Mitigation Savings	0	
One-Time Unique Savings	0	

Total One-Time Savings		0

Total Net One-Time Costs		0

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

	Rate	2006	2007	2008	2009	2010	2011	Total
CIVILIAN POSITIONS REALIGNING OUT		0	0	0	0	0	20	20
Early Retirement*	8.10%	0	0	0	0	0	2	2
Regular Retirement*	1.67%	0	0	0	0	0	0	0
Civilian Turnover*	9.16%	0	0	0	0	0	2	2
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	0	1	1
Civilians Moving (the remainder)		0	0	0	0	0	15	15
Civilian Positions Available		0	0	0	0	0	5	5
CIVILIAN POSITIONS ELIMINATED		0	0	0	0	0	25	25
Early Retirement	8.10%	0	0	0	0	0	2	2
Regular Retirement	1.67%	0	0	0	0	0	0	0
Civilian Turnover	9.16%	0	0	0	0	0	2	2
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	0	2	2
Priority Placement#	39.97%	0	0	0	0	0	10	10
Civilians Available to Move		0	0	0	0	0	9	9
Civilians Moving		0	0	0	0	0	5	5
Civilian RIFs (the remainder)		0	0	0	0	0	4	4
CIVILIAN POSITIONS REALIGNING IN		0	0	0	0	0	20	20
Civilians Moving		0	0	0	0	0	20	20
New Civilians Hired		0	0	0	0	0	0	0
Other Civilian Additions		0	0	0	0	0	0	0
TOTAL CIVILIAN EARLY RETIREMENTS		0	0	0	0	0	4	4
TOTAL CIVILIAN RIFS		0	0	0	0	0	7	7
TOTAL CIVILIAN PRIORITY PLACEMENTS#		0	0	0	0	0	10	10
TOTAL CIVILIAN NEW HIRES		0	0	0	0	0	0	0

* Early Retirements, Regular Retirements, Civilian Turnover, and Civilians Not Willing to Move are not applicable for moves under fifty miles.

Not all Priority Placements involve a Permanent Change of Station. The rate of PPP placements involving a PCS is 50.70%

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: HAWTHORNE DEPOT, NV (3235L)Rate	2006	2007	2008	2009	2010	2011	Total
CIVILIAN POSITIONS REALIGNING OUT	0	0	0	0	0	20	20
Early Retirement*	8.10%	0	0	0	0	2	2
Regular Retirement*	1.67%	0	0	0	0	0	0
Civilian Turnover*	9.16%	0	0	0	0	2	2
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	1	1
Civilians Moving (the remainder)		0	0	0	0	15	15
Civilian Positions Available		0	0	0	0	5	5
CIVILIAN POSITIONS ELIMINATED	0	0	0	0	0	25	25
Early Retirement	8.10%	0	0	0	0	2	2
Regular Retirement	1.67%	0	0	0	0	0	0
Civilian Turnover	9.16%	0	0	0	0	2	2
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	2	2
Priority Placement#	39.97%	0	0	0	0	10	10
Civilians Available to Move		0	0	0	0	9	9
Civilians Moving		0	0	0	0	5	5
Civilian RIFs (the remainder)		0	0	0	0	4	4
CIVILIAN POSITIONS REALIGNING IN	0	0	0	0	0	0	0
Civilians Moving		0	0	0	0	0	0
New Civilians Hired		0	0	0	0	0	0
Other Civilian Additions		0	0	0	0	0	0
TOTAL CIVILIAN EARLY RETIRMENTS		0	0	0	0	4	4
TOTAL CIVILIAN RIFs		0	0	0	0	7	7
TOTAL CIVILIAN PRIORITY PLACEMENTS#		0	0	0	0	10	10
TOTAL CIVILIAN NEW HIRES		0	0	0	0	0	0

* Early Retirements, Regular Retirements, Civilian Turnover, and Civilians Not Willing to Move are not applicable for moves under fifty miles.

Not all Priority Placements involve a Permanent Change of Station. The rate of PPP placements involving a PCS is 50.70%

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: TOOELE, UT (49878)	Rate	2006	2007	2008	2009	2010	2011	Total
CIVILIAN POSITIONS REALIGNING OUT		0	0	0	0	0	0	0
Early Retirement*	8.10%	0	0	0	0	0	0	0
Regular Retirement*	1.67%	0	0	0	0	0	0	0
Civilian Turnover*	9.16%	0	0	0	0	0	0	0
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	0	0	0
Civilians Moving (the remainder)		0	0	0	0	0	0	0
Civilian Positions Available		0	0	0	0	0	0	0
CIVILIAN POSITIONS ELIMINATED		0	0	0	0	0	0	0
Early Retirement	8.10%	0	0	0	0	0	0	0
Regular Retirement	1.67%	0	0	0	0	0	0	0
Civilian Turnover	9.16%	0	0	0	0	0	0	0
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	0	0	0
Priority Placement#	39.97%	0	0	0	0	0	0	0
Civilians Available to Move		0	0	0	0	0	0	0
Civilians Moving		0	0	0	0	0	0	0
Civilian RIFs (the remainder)		0	0	0	0	0	0	0
CIVILIAN POSITIONS REALIGNING IN		0	0	0	0	0	0	0
Civilians Moving		0	0	0	0	0	0	0
New Civilians Hired		0	0	0	0	0	0	0
Other Civilian Additions		0	0	0	0	0	0	0
TOTAL CIVILIAN EARLY RETIRMENTS		0	0	0	0	0	0	0
TOTAL CIVILIAN RIFS		0	0	0	0	0	0	0
TOTAL CIVILIAN PRIORITY PLACEMENTS#		0	0	0	0	0	0	0
TOTAL CIVILIAN NEW HIRES		0	0	0	0	0	0	0

* Early Retirements, Regular Retirements, Civilian Turnover, and Civilians Not Willing to Move are not applicable for moves under fifty miles.

Not all Priority Placements involve a Permanent Change of Station. The rate of PPP placements involving a PCS is 50.70%

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: BASE X (ARMY), US (XARMY)	Rate	2006	2007	2008	2009	2010	2011	Total
CIVILIAN POSITIONS REALIGNING OUT		0	0	0	0	0	0	0
Early Retirement*	8.10%	0	0	0	0	0	0	0
Regular Retirement*	1.67%	0	0	0	0	0	0	0
Civilian Turnover*	9.16%	0	0	0	0	0	0	0
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	0	0	0
Civilians Moving (the remainder)		0	0	0	0	0	0	0
Civilian Positions Available		0	0	0	0	0	0	0
CIVILIAN POSITIONS ELIMINATED		0	0	0	0	0	0	0
Early Retirement	8.10%	0	0	0	0	0	0	0
Regular Retirement	1.67%	0	0	0	0	0	0	0
Civilian Turnover	9.16%	0	0	0	0	0	0	0
Civs Not Moving (RIFs)*	6.00%	0	0	0	0	0	0	0
Priority Placement#	39.97%	0	0	0	0	0	0	0
Civilians Available to Move		0	0	0	0	0	0	0
Civilians Moving		0	0	0	0	0	0	0
Civilian RIFs (the remainder)		0	0	0	0	0	0	0
CIVILIAN POSITIONS REALIGNING IN		0	0	0	0	0	20	20
Civilians Moving		0	0	0	0	0	20	20
New Civilians Hired		0	0	0	0	0	0	0
Other Civilian Additions		0	0	0	0	0	0	0
TOTAL CIVILIAN EARLY RETIRMENTS		0	0	0	0	0	0	0
TOTAL CIVILIAN RIFs		0	0	0	0	0	0	0
TOTAL CIVILIAN PRIORITY PLACEMENTS#		0	0	0	0	0	0	0
TOTAL CIVILIAN NEW HIRES		0	0	0	0	0	0	0

* Early Retirements, Regular Retirements, Civilian Turnover, and Civilians Not Willing to Move are not applicable for moves under fifty miles.

Not all Priority Placements involve a Permanent Change of Station. The rate of PPP placements involving a PCS is 50.70%

COBRA PERSONNEL YEARLY PERCENTAGES REPORT (COBRA v6.10)
 Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:56 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

Base: HAWTHORNE DEPOT, NV (3235L)

Year	Pers Moved In/Added		MilCon TimePhase	Pers Moved Out/Eliminated		ShutDn TimePhase
	Total	Percent		Total	Percent	
2006	0	0.00%	33.33%	0	0.00%	0.00%
2007	0	0.00%	16.67%	0	0.00%	0.00%
2008	0	0.00%	16.67%	0	0.00%	0.00%
2009	0	0.00%	16.67%	0	0.00%	0.00%
2010	0	0.00%	16.67%	0	0.00%	0.00%
2011	0	0.00%	0.00%	119	100.00%	100.00%
TOTALS	0	0.00%	100.00%	119	100.00%	100.00%

Base: TOOELE, UT (49878)

Year	Pers Moved In/Added		MilCon TimePhase	Pers Moved Out/Eliminated		ShutDn TimePhase
	Total	Percent		Total	Percent	
2006	0	0.00%	33.33%	0	0.00%	16.67%
2007	0	0.00%	16.67%	0	0.00%	16.67%
2008	0	0.00%	16.67%	0	0.00%	16.67%
2009	0	0.00%	16.67%	0	0.00%	16.67%
2010	0	0.00%	16.67%	0	0.00%	16.67%
2011	0	0.00%	0.00%	0	0.00%	16.67%
TOTALS	0	0.00%	100.00%	0	0.00%	100.00%

Base: BASE X (ARMY), US (XARMY)

Year	Pers Moved In/Added		MilCon TimePhase	Pers Moved Out/Eliminated		ShutDn TimePhase
	Total	Percent		Total	Percent	
2006	0	0.00%	0.00%	0	0.00%	16.67%
2007	0	0.00%	0.00%	0	0.00%	16.67%
2008	0	0.00%	0.00%	0	0.00%	16.67%
2009	0	0.00%	0.00%	0	0.00%	16.67%
2010	0	0.00%	100.00%	0	0.00%	16.67%
2011	20	100.00%	0.00%	0	0.00%	16.67%
TOTALS	20	100.00%	100.00%	0	0.00%	100.00%

COBRA TOTAL PERSONNEL SUMMARY REPORT (COBRA v6.10)

Data As Of 5/2/2005 10:48:53 AM, Report Created 5/2/2005 10:48:56 AM

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

TOTAL SCENARIO POPULATION (FY 2005, Prior to BRAC Action):

Officers	Enlisted	Students	Civilians
-----	-----	-----	-----
41	598	0	672

TOTAL PERSONNEL REALIGNMENTS, ENTIRE SCENARIO):

	2006	2007	2008	2009	2010	2011	Total
Officers	0	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	20	20
TOTAL	0	0	0	0	0	20	20

TOTAL SCENARIO POSITION CHANGES, ENTIRE SCENARIO:

	2006	2007	2008	2009	2010	2011	Total
Officers	0	0	0	0	0	-2	-2
Enlisted	0	0	0	0	0	-72	-72
Civilians	0	0	0	0	0	-25	-25
TOTAL	0	0	0	0	0	-99	-99

TOTAL SCENARIO POPULATION (After BRAC Action):

Officers	Enlisted	Students	Civilians
-----	-----	-----	-----
39	526	0	647

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Pctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

PERSONNEL SUMMARY FOR: HAWTHORNE DEPOT, NV (3235L)

BASE POPULATION (FY 2005, Prior to BRAC Action) FOR: HAWTHORNE DEPOT, NV (3235L)

Officers	Enlisted	Students	Civilians
2	72	0	45

PERSONNEL REALIGNMENTS:

To Base: BASE X (ARMY), US (XARMY)

	2006	2007	2008	2009	2010	2011	Total
Officers	0	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	20	20
TOTAL	0	0	0	0	0	20	20

TOTAL PERSONNEL REALIGNMENTS (Out of HAWTHORNE DEPOT, NV (3235L)):

	2006	2007	2008	2009	2010	2011	Total
Officers	0	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	20	20
TOTAL	0	0	0	0	0	20	20

SCENARIO POSITION CHANGES FOR: HAWTHORNE DEPOT, NV (3235L)

	2006	2007	2008	2009	2010	2011	Total
Officers	0	0	0	0	0	-2	-2
Enlisted	0	0	0	0	0	-72	-72
Civilians	0	0	0	0	0	-25	-25
TOTAL	0	0	0	0	0	-99	-99

BASE POPULATION (After BRAC Action) FOR: HAWTHORNE DEPOT, NV (3235L)

Officers	Enlisted	Students	Civilians
0	0	0	0

PERSONNEL SUMMARY FOR: TOOELE, UT (49878)

BASE POPULATION (FY 2005, Prior to BRAC Action) FOR: TOOELE, UT (49878)

Officers	Enlisted	Students	Civilians
38	519	0	526

BASE POPULATION (After BRAC Action) FOR: TOOELE, UT (49878)

Officers	Enlisted	Students	Civilians
38	519	0	526

PERSONNEL SUMMARY FOR: BASE X (ARMY), US (XARMY)

BASE POPULATION (FY 2005, Prior to BRAC Action) FOR: BASE X (ARMY), US (XARMY)

Officers	Enlisted	Students	Civilians
1	7	0	101

Department : Industrial
 Scenario File : Z:\Cobra\Munitions&Armaments\IND 0108 Close Hawthorne AD\IND 0108 Close Hawthorne AD Cobra
 05022005.CBR
 Option Pkg Name: IND 0108 Close Hawthorne AD
 Std Fctrs File : C:\Documents and Settings\Desktop\COBRA 6.10\BRAC2005.SFF

PERSONNEL REALIGNMENTS:

From Base: HAWTHORNE DEPOT, NV (3235L)

	2006	2007	2008	2009	2010	2011	Total
Officers	0	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	20	20
TOTAL	0	0	0	0	0	20	20

TOTAL PERSONNEL REALIGNMENTS (Into BASE X (ARMY), US (XARMY)):

	2006	2007	2008	2009	2010	2011	Total
Officers	0	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	20	20
TOTAL	0	0	0	0	0	20	20

BASE POPULATION (After BRAC Action) FOR: BASE X (ARMY), US (XARMY)

Officers	Enlisted	Students	Civilians
1	7	0	121

Hawthorne Army Depot
Hawthorne Ammunition Depot
Hawthorne Test Range
Hawthorne, Nevada

On December 7, 1941, the United States had only one Naval Ammunition Depot -- Hawthorne, Nevada -- to support the Navy's Pacific Fleet, and was building another at Crane, Indiana to support the Atlantic Fleet. Established in early 1930 after the Lake Denmark, New Jersey explosion which injured hundreds in nearby towns. Employment was at its highest at 5,625 in 1945. Converted to government-owned, contractor-operated (GOCO) on December 1, 1980.

Hawthorne Army Depot is located in the west central part of Nevada close to the California state line. It is approximately two hours southeast of Reno on US Highway 95. The facility's area 147,000 Acres (Leased/Owned) and .6M Sq. Ft. Floor Space. Facilities include 178 Buildings and 2,427 Igloos.

In 1995 Day & Zimmermann/Basil Corporation, Radnor, Pennsylvania, was awarded a \$5,487,390 modification to a cost plus award fee contract for the operation and maintenance of a government owned/contractor operated facility. Work will be performed at Hawthorne Army Depot, Hawthorne, Nevada. The contracting activity is the US Army Armaments, Munitions and Chemical Command, Rock Island, Illinois. In August 1999 Day & Zimmermann Hawthorne Corp., Philadelphia, Pa., was awarded a firm-fixed-price, indefinite delivery/indefinite quantity contract with a base year total of \$171,324,309 and a cumulative total of \$324,091,891 (one five-year base period and one five-year option period). The contractor will manage the Hawthorne Army Depot, perform supply depot operations, and demilitarization and renovation of conventional ammunition. Work will be performed at Hawthorne Army Depot, Nev., and is expected to be completed by Dec. 31, 2009. An appropriation number and dollar value will be issued with each delivery order. There were four bids solicited on Feb. 11, 1999, and three bids were received. The US Army Armament, Munitions & Chemical Command, Rock Island, Ill., is the contracting activity.

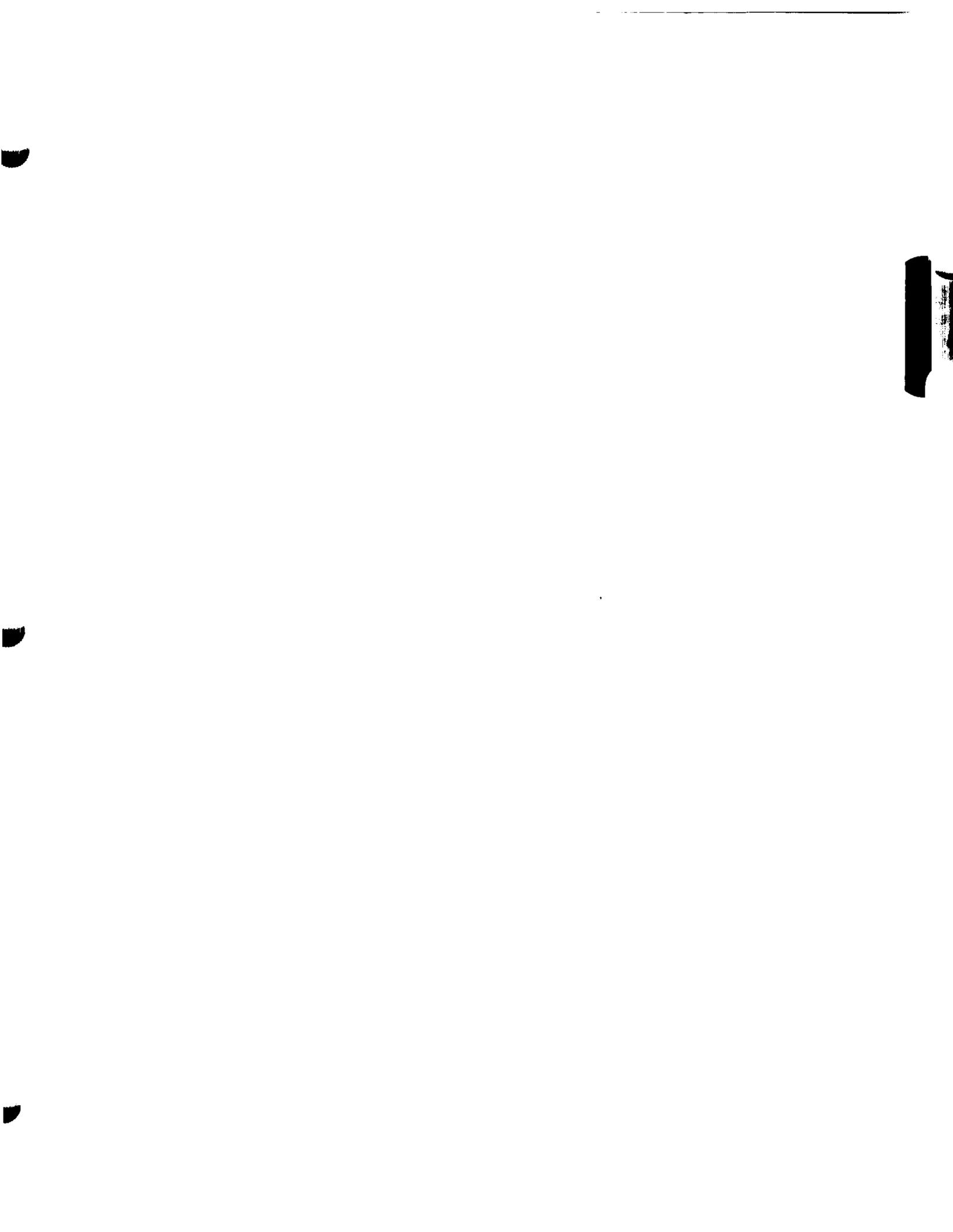
The Industrial Operations Command (IOC) has requirements for services for the Demilitarization and Renovation of Conventional Ammunition, Ammunition Supply Depot Operations, MILVAN Repair and Tenant Support. The work is currently performed at the Hawthorne Army Depot, Hawthorne, Nevada. The Western Area Demilitarization Facility located at Hawthorne is the premiere resource recovery and recycling center of conventional ammunition. Hawthorne covers approximately 226 square miles, providing ample room for expansion, and is divided into three ammunition storage and production areas, plus an industrial area housing command headquarters, facilities engineering shops, etc. HWAD claims to be the "Worlds Largest Depot" and is the largest industrial activity in the state of Nevada.

In addition to on-site facilities at the Fallbrook Naval Weapons Station, the Marine Corps Programs Department operates a 49,000-acre live fire ordnance test facility at Hawthorne, Nevada. The Hawthorne range provides the capability for a full range of state-of-the-art ballistic and functional testing for all weapon systems from grenades up through the 155mm Howitzer. Capabilities include full instrument ranges with state-of-the-art radar tracking and video/audio recording equipment.

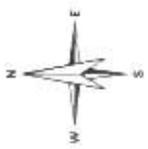
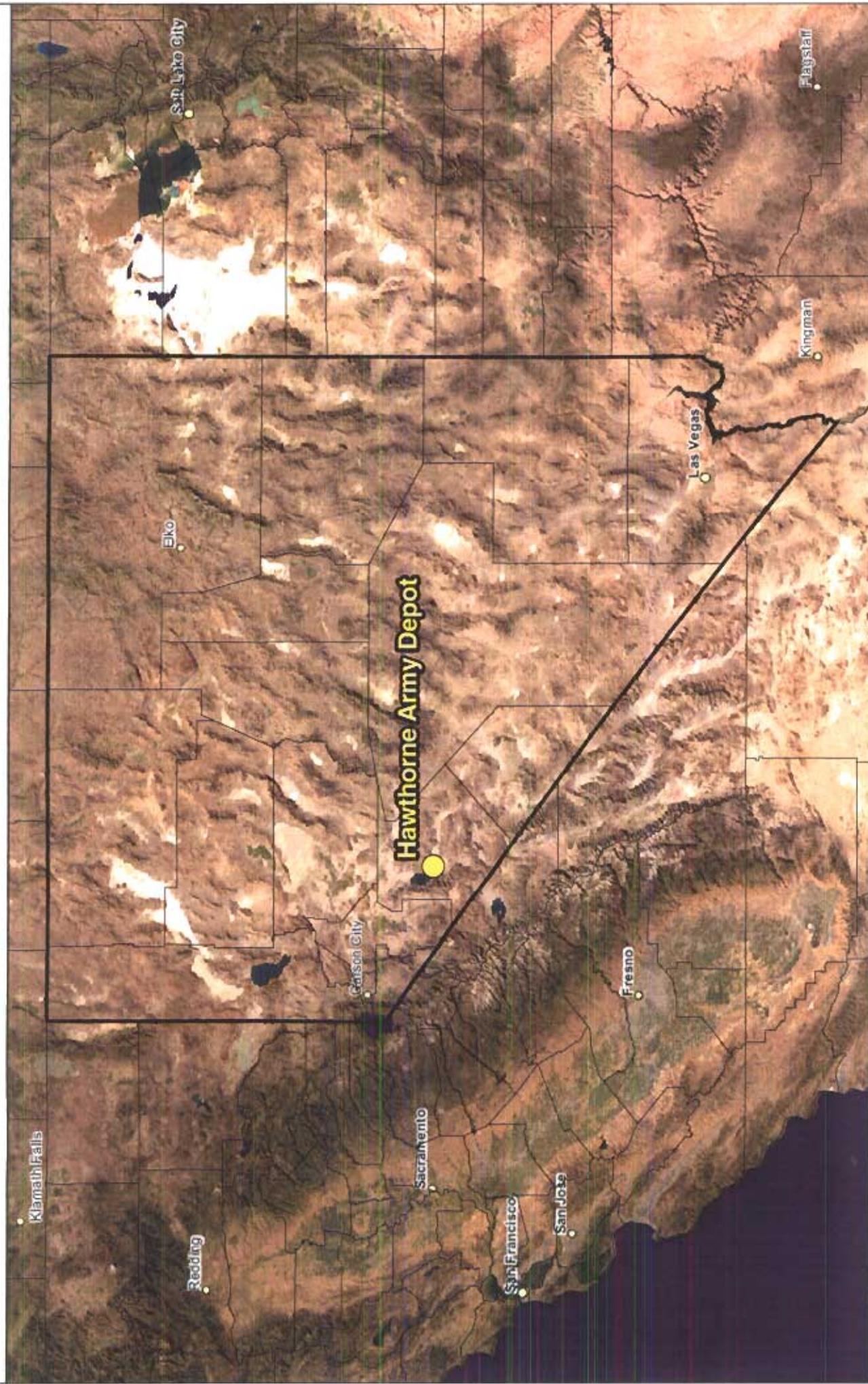
Hawthorne has an ammunition surveillance program and is a Tier II cadre site that maintains additional war reserve stocks. Tier II facilities store War Reserve ammunition to be used after the first 30 days. They are partially staffed in peacetime, but would increase staffing when needed. The Army has adopted a "tiered" ammunition depot concept to reduce infrastructure, eliminate static non-required ammunition stocks, decrease manpower requirements, increase efficiencies, and permit the Army to manage a smaller stockpile. The tiered depot concept reduces the number of active storage sites and makes efficiencies possible. A "tier 1" installation will support a normal/full-up activity level with a stockage configuration of primarily required stocks and minimal non-required stocks requiring demilitarization. Normal activity includes daily receipts/issues of training stocks, storage of war reserve stocks required in contingency operations and additional war reserve stocks to augment lower level tier installation power projection capabilities. Installations at this activity level receive requisite levels of storage support, surveillance, inventory, maintenance and demilitarization.

For many years, the US Army and other branches of the armed services engaged in a wide variety of activities involving the manufacture, handling, storage, testing, and disposal of explosive materials and chemical warfare agents. These activities resulted in the contamination of process-related equipment, piping, sewers, and enclosing structures with hazardous materials at various Department of Defense (DoD) installations. As a result, the DoD has numerous facilities and equipment at active installations, Formerly Used Defense Sites (FUDS), and Base Realignment and Closure (BRAC) installations which are contaminated with explosive residues and chemical warfare agents through historical manufacturing, transfer, storage, use and demilitarization of these materials. As part of its long-term environmental program, the DoD is required to decontaminate and remove explosive contamination from equipment and buildings at numerous DOD installations. An environmentally-safe, non-destructive alternative is to decontaminate facilities using the Hot Gas Decontamination (HGD) technology developed by the US Army Environmental Center (USAEC), formerly known as the US Army Toxic and Hazardous Materials Agency (USATHAMA). The HGD technology uses controlled heat to volatilize and thermally decompose the explosive contamination. The process was proven technically effective decontaminating explosive-contaminated equipment and facilities during several field demonstrations conducted by the USAEC. Successful full-scale field demonstrations were performed at Cornhusker Army Ammunition Plant (Nebraska), Hawthorne Army Depot (Nevada), and the Alabama Army Ammunition Plant.

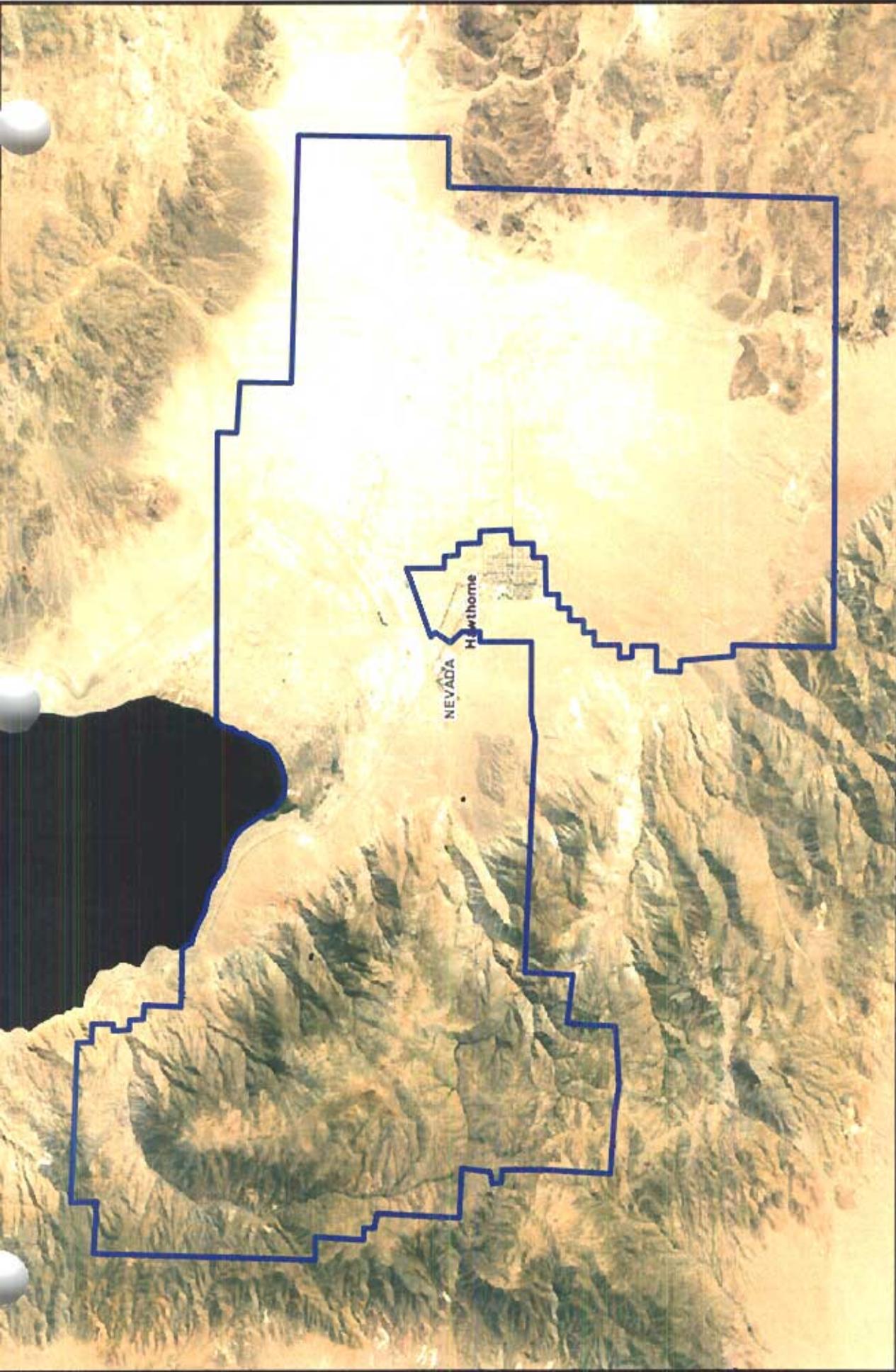
<http://www.globalsecurity.org/military/facility/hawthorne.htm>



Recommended Nevada Base Realignments and Closures



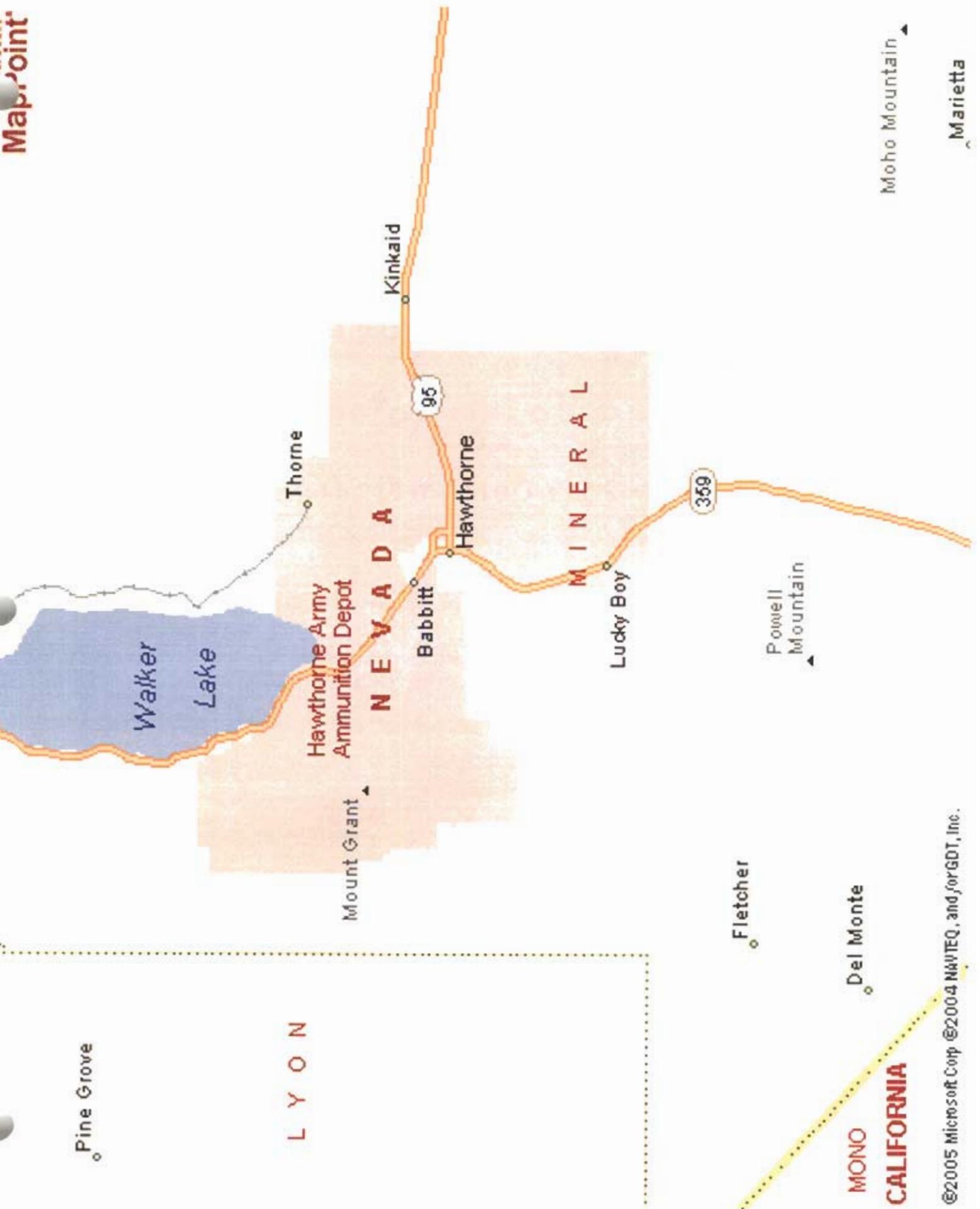
Hawthorne Army Depot Statistics
Total Acres: 147,236 Total Personnel: 539
Acres Owned: 147,189 Mil: 1
PRV (\$M): 3,622.9 Civ: 45
Contr: 493



Hawthorne Army Ammunition Depot, Nevada

4 Miles

Installation Boundary



Pine Grove

L Y O N

Walker Lake

Hawthorne Army Ammunition Depot

N E V A D A

Babbitt

Hawthorne

M I N E R A L

Lucky Boy

Powell Mountain

Fletcher

Del Monte

MONO CALIFORNIA

Kinkaid

95

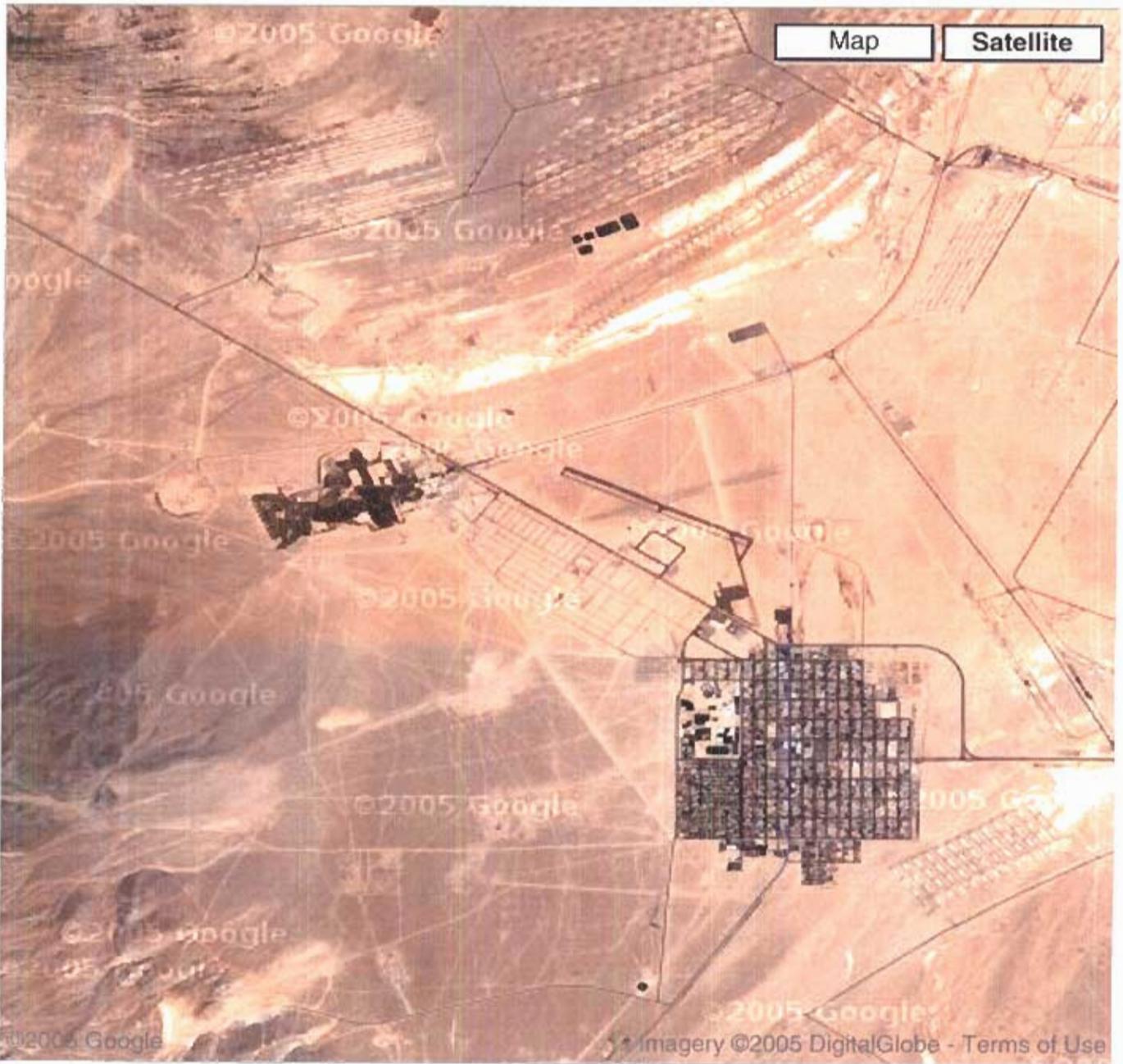
359

Moho Mountain

Marietta



Hawthorne, NV 89415



Hawthorne, NV 89415



Hawthorne, NV 89415



Hawthorne, NV 89415



Hawthorne, NV 89415

STATE CLOSURE HISTORY LIST

None listed for the State of Nevada in the Cumulative list (1988 through 1995) in the BRAC 1995 report.



HAWTHORNE ARMY DEPOT NEVADA

National News Articles

GAO report raises questions about Nevada ammunition dump closure
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OUR VIEW

National News Articles

GAO report raises questions about Nevada ammunition dump closure

The Associated Press State & Local Wire

BRENDAN RILEY

July 1, 2005

A new Government Accountability Office report raises questions about Pentagon plans to close the Army Ammunition Depot at **Hawthorne** - and opponents of the closure said Friday the GAO document doesn't go far enough.

The GAO report said it's not certain whether the Army could close the **Hawthorne** depot by a 2011 deadline because of the amount of unusable munitions that would have to be dismantled - or "demilitarized" in ammo dump jargon.

The report adds that the Army said some demilitarization funds have been used for other purposes in recent years, resulting in a growing stockpile of unusable munitions. That stockpile could grow if munitions now stored in Korea are shipped to **Hawthorne**, the GAO said.

The report also states the Defense Department at first said there would be only a slight impact on employment in the **Hawthorne** area, but since the closure recommendation came out has increased that estimate to nearly 14 percent fewer workers.

Shelley Hartmann, executive director of the Economic Development Authority in Mineral County, said the adjustment was too conservative and the impact really is closer to 30 percent.

"We have 1,860 total jobs in Mineral County and we would lose 565 if the base closes," Hartmann said, adding the adjustment "is good news, but they're still not dealing with the facts."

"They're trying to gloss over the real facts, and the real facts are that they're going to destroy the community," Hartmann said.

Hartmann also said there's an initial estimate of about \$400 million to clean up the **Hawthorne** depot, which sprawls over about 230 square miles of land 130 miles south of Reno - but that estimate is based on partial information and not on what "the old-timers tell us is really there."

The Pentagon says the government would avoid duplication and save money by moving the depot's storage and recycling functions to the Tooele Army Depot in Utah. For more than six decades the **Hawthorne** depot has manufactured, stored, dismantled and shipped bombs and munitions.

Besides **Hawthorne**, also at stake is the **realignment** of the 152nd Airlift Wing in Reno. The Nevada National Guard stands to lose its 10 C-130 planes to Little Rock, Ark., and 147 jobs.

Philip Coyle, a former assistant U.S. defense secretary serving on the federal base-closing commission reviewing the recommendations, will visit both locations on July 11. Hartmann said a second panel member, John Hill, also may tour **Hawthorne**.

The Base **Realignment** and Closing Commission consists of nine members, including former Nevada Rep. Jim Bilbray, who was nominated by U.S. Sen. Harry Reid, D-Nev.

The commission will furnish the report of its findings and its own suggestions to President Bush on Sept. 8, 2005. The President will then forward the report to Congress or return it to the commission for further evaluation.

GOV. GUINN ANNOUNCES \$528,500 GRANT FOR HAWTHORNE

US Fed News
June 30, 2005

Gov. Kenny C. Guinn, R-Nev., issued the following press release:

Gov. Kenny Guinn announced today that Nevada has received a \$528,500 National Emergency Grant from the U.S. Department of Labor as a precautionary measure in case the Department of Defense closes the **Hawthorne** Army Depot.

"This grant application is by no means a concession in our effort to preserve the **Hawthorne** Army Depot, which is so vital to Mineral County's economy," Gov. Guinn said. "Last week in Clovis, N.M., I told the Base **Realignment** and Closure Commission (BRAC) that I strongly disagreed with their recommendation to close the army depot in **Hawthorne** and that the process in which the commission reached its decision was flawed. However, early intervention and planning for a worst-case scenario is a responsible step to take."

The \$528,500 early planning grant will be administered by Nevada's Department of Employment, Training and Rehabilitation. Birgit Baker, department director, said Gov. Guinn directed her department to apply for the grant in early June. She said the funds would be funneled through the Governor's Workforce Investment Board to conduct a community survey and impact analysis, and to craft an economic diversity plan for the region.

The Governor said being proactive by utilizing the emergency grant funds to craft a plan for **Hawthorne's** future economic diversification is the wise action to take. If the base escapes closure - **Hawthorne** will have an updated plan for broadening its economic base.

U. S. Secretary of Labor Elaine L. Chao, said the Department of Labor allocated more than \$28 million in emergency grants to 35 states, the District of Columbia and Guam, each of which could be affected by the 2005 BRAC recommendations. "These funds will help communities develop their transition plans and, in some instances, enhance the economic development program that will be key to helping workers and communities adjust and create new opportunities as the BRAC process moves forward."

Local News Articles

Official to tour military facilities

Las Vegas Review-Journal (Nevada)

Keith Rogers

June 29, 2005

Philip Coyle, one of nine members on the Base **Realignment** and Closure Commission, will visit Nevada's 152nd Airlift Wing in Reno and **Hawthorne** Army Depot on July 11, according to a statement from Sen. Harry Reid, D-Nev.

Under the Pentagon's **realignment** plan, the Army's ammunition depot near **Hawthorne** is slated for closure, and all eight C-130 aircraft operated by the Nevada Air National Guard's airlift wing at Reno-Tahoe International Airport are to be transferred to another state.

At last week's **realignment** hearing in Clovis, N.M., Coyle indicated that someone from the commission would travel to the two Nevada installations.

Coyle is expected to tour the airlift wing and the **Hawthorne** depot with the commanders of each installation. His findings will be used in the commission's final recommendation.

'This visit will allow the BRAC Commission to see firsthand the flaws in the DOD's recommendations,' Reid was quoted as saying.

'I believe the recommendations in these cases are inconsistent with our national security objectives.'

Coyle is a former principal associate director of Lawrence Livermore National Laboratory in California, where he retired in 1994 after more than 30 years. He sometimes traveled to the Nevada Test Site, especially from 1981 to 1984, when he

was the lab's associate director of nuclear testing.

In testimony at Friday's regional hearing in New Mexico, Gov. Kenny Guinn and Nevada's military and homeland security leaders told the **realignment** panel that Pentagon officials failed to assess the effects of transferring the C-130 fleet on emergency response and Air Force missions.

They said calculations on economic effects in closing the **Hawthorne** Depot were incorrect and failed to include costs for environmental restoration and relocating equipment needed to retire outdated munitions.

Guinn said the Pentagon failed to comply with the federal law that requires consultation and concurrence with the governor of a state before acting to close or move a Guard unit assigned in a state.

The commission will report its findings to President Bush on Sept. 8. The president will forward the report to Congress or return it to the commission for more evaluation. Congress has 45 days from the day it receives the report to comment on its findings and decide on accepting them.

REID GETS COMMITMENT FROM BRAC COMMISSIONER TO VISIT RENO, HAWTHORNE

States News Service

June 28, 2005

The following information was released by the office of Nevada Senator Harry Reid:

Continuing his efforts to defend Nevada's military installations, U.S. Senator Harry Reid secured a commitment for a site visit from one of the Commissioners who will make a final recommendation on the future of the **Hawthorne** Army Depot and the Nevada Air National Guard.

The Department of Defense recently recommended closing the Depot and reducing the Air National Guard.

As part of the final decision on whether or not to act on those recommendations, a bipartisan Base Closure and **Realignment** (BRAC) Commission is working on an objective and independent review of how the DOD reached its conclusions.

At Reid's request, the BRAC Commission held a hearing on the Department of Defense decisions. And today, Reid announced that BRAC Commissioner Philip Coyle will personally visit both sites. The commissioner will tour the two facilities with the commanders of each installation, and his findings will be used in the final recommendation. This visit will allow the BRAC Commission to see first hand the flaws in DOD's recommendations, Reid said. I have great respect for the Commission's work and the Pentagon's responsibility to ensure we have the finest military in the world. But I believe the recommendations in these cases are inconsistent with our national security objectives. In both cases, the initial analyses is incomplete, and in many cases, incorrect, and both recommendations warrant serious reconsideration.

Coyle and one BRAC staffer will visit both sites on Monday, July 11th.

The BRAC Commission consists of nine Commissioners, including former

Congressman Jim Bilbray from Nevada whom Reid appointed to serve on the board.

The Commission will furnish the report of its findings and its own suggestions to the President and to the American public on September 8, 2005. The President will then

forward the report to Congress or return it to the Commission for further evaluation. Congress has 45 days from the day it receives the report to comment on the Commission's findings and decide whether to accept the report.

BRAC failures alleged

Las Vegas Review-Journal (Nevada)

KEITH ROGERS

June 25, 2005

CLOVIS, N.M. -- Citing the need to combat wildfires, floods and terrorism threats and protect a rural economy, Gov. Kenny Guinn and Nevada's military leaders took aim at the Pentagon's plans Friday to transfer the state's C-130 aircraft and close **Hawthorne** Army Depot.

Guinn said defense planners who sent their downsizing recommendations to the Base **Realignment** and Closure Commission failed in their analysis and might have violated federal law.

'First and foremost is the department's failure to comply with the federal law that requires both consultation and concurrence with the governor of a state before acting to close or move a Guard unit assigned in a state,' Guinn told a panel of the BRAC commission, which held a regional hearing in Clovis, N.M., where the Pentagon wants to close Cannon Air Force Base and disperse about 60 F-16 fighter jets.

Seven of those jets are expected to be relocated to Nellis Air Force Base, which stands to gain dozens of combat and training aircraft in the **realignment** shuffle.

When asked if the state would pursue legal action, Guinn said he would not recommend that but merely wanted to point out a flaw in the BRAC process.

One commissioner on the panel, Philip Coyle, said Guinn is not the only governor to raise the issue, which will be addressed at a June 30 meeting in Atlanta.

Despite the boost to Nellis, Guinn castigated the Pentagon's stance on Nevada's Air National Guard.

'Not only was the call for information flawed in the way it was gathered and analyzed, it made conclusions that are categorically wrong,' Guinn said.

The commission has recommended sending to Arkansas or some other state all eight C-130s assigned to the Nevada Air National Guard's 152nd Airlift Wing in Reno.

In addition, plans call for closing the Army Ammunition Depot in **Hawthorne**, where at least 230 jobs would be lost, and the Army would have to spend \$180 million to empty bunkers and close the facility.

Guinn said the cost does not include an estimated \$840 million to cover environmental restoration, and transfer bombs and munitions retirement capabilities to Tooele Army Depot in Utah.

'We know it would take years to get all the ordnance off the land that we don't own,' he said after Nevada officials made their presentations.

During the hearing, Shelley Hartmann, executive director of Mineral County's Economic Development Authority, said data was manipulated in the BRAC process to justify closing the **Hawthorne** depot. Its closing would cause the direct loss of 539 jobs, she said, and secondary job losses would total 879. There are 1,860 jobs in the county.

'Eventually, with the reduced tax base, Mineral County will be forced into receivership and taken over by the state. **Hawthorne** will become a ghost town,' Hartmann said, her voice cracking as she fought back tears. 'You guys are our only hope.'

Afterward, Coyle said he believes that some members of the commission will visit the **Hawthorne** depot in July.

Guinn said the Guard's C-130 fleet is 'a resource the state of Nevada depends upon heavily and simply cannot do without.'

'I do not believe the BRAC process gave any consideration to the vast state mission the Nevada Guard performs,' he said.

'In a state with yearly wildfires, annual flooding, one which lies on hundreds of fault lines, one with the largest dam in the United States, one with hundreds of miles between metropolitan centers and one with cities and tourist attractions that are very attractive targets to terrorists, it is apparent that the BRAC process disregarded the National Guard's constitutional obligation to the state of Nevada,' Guinn told the panel.

The Nevada Air National Guard 'at state expense' hauls personnel and equipment to flood-ravaged areas 'and fights raging wildfires and keeps flames away from homes and families,' he said.

Giles Vanderhoof, Nevada's Homeland Security administrator, warned the panel that relocating Nevada's C-130 fleet would leave only one C-130 unit west of the Rocky Mountains. That aircraft is assigned to California, the only state that's not part of a pact for emergency assistance.

'Without our C-130s being available to the governor for emergencies, life and property is at an unacceptable risk,' he said.

Brig. Gen. Cindy Kirkland, Nevada's adjutant general, said the BRAC process 'was flawed and skewed against the cost-effective Air National Guard bases.' She said the fact that adjutants general across the board were excluded from the process 'tells me this was not an open and sound process.'

The rating process also didn't consider the Air Guard's assets for using the vast and diverse training ranges in Nevada, she said.

In a statement, Sen. Harry Reid, D-Nev., said Pentagon planners failed to consider the 152nd Airlift Wing's role in Homeland Security missions in providing 59 percent of the airlift assets west of the Rockies.

Reid also noted that the **Hawthorne** depot supplies more than 3,000 tons of

munitions directly to the war effort in Iraq.

State Sen. Randolph Townsend and Assemblyman Bernie Anderson urged the panel to weigh the C-130s role in airlifts and transporting troops and supplies.

'Reno is geographically distant from Las Vegas and the other population centers in the state. In times of crisis, our citizens cannot depend upon ground transportation for necessary response. It would be too slow and too dangerous to have to wait,' Townsend said.

ENSIGN TO BRAC: RECONSIDER HAWTHORNE AND NEVADA'S C-130'S

States News Service

June 24, 2005

The following information was released by U.S. Senator John Ensign, Nevada:

Senator John Ensign today expressed disagreement with the recommendations of the Department of Defense (DoD) to close the **Hawthorne** Army Depot and to transfer the National Guard's C-130s from Nevada out of the state. Ensign issued a statement to members of the Base **Realignment** and Closure Commission, who are holding a regional hearing in New Mexico today. **Hawthorne** has the largest, most diverse, and environmentally compliant conventional demilitarization capability in the Department of Defense depot system, Ensign said. But **Hawthorne** is more than just a demil facility, it is a community; a community comprised of hard-working men and women who struggle to live the American dream, the dream of a steady job and raising a family in small-town Nevada.

Ensign challenged data used by the DoD to determine the economic impact of closing the **Hawthorne** Army Depot. The DoD considered **Hawthorne** to be part of the Reno/Sparks Metropolitan Area when **Hawthorne** is 133 miles from Reno. The real data does not lie, Ensign said. When weighed against **Hawthorne's** employable population of 1,860, the numbers tell a bleak story. The Nevada Commission on Economic Development calculates that . . . 539 jobs will be lost by the closure of **Hawthorne** totaling a 27% job loss for the local community.

Ensign then questioned the DoD recommendation to relocate the eight Nevada Air National Guard C-130s to Little Rock, Arkansas. When one realizes that Nevada is the fastest growing state in the union and is twice the size of the six New England states combined, the loss of Nevada's complement of C-130s would compromise the ability of the state to respond to a variety of emergencies, Ensign said.

High anxiety in the town of Hawthorne

Reno Gazette-Journal (Nevada)

Don Cox

June 19, 2005

HAWTHORNE -- The voices are heard first, even before what they're talking about can be fully seen or understood.

Some are loud, others soft. Many sound confused and a few angry. But several are hopeful, even defiant. They're all passionate.

"You've got people here who are scared to death," said Norma Joyce Scott. "They are so dependent on having that place."

"It's like the father of the community," said Kathy Trujillo. "It's what keeps us going."

"I'm not moving," said Gina Simmons. "All my family lives here. I want my town to grow. I was born here."

"They're talking about laying off a third of the work force," said Dan McCahill. "That's murder."

"Some people act like the town is going to dry up and blow away," said Cal Lattin. "That's just not going to happen."

Nobody, not Scott, Trujillo, Simmons, McCahill, Lattin or their neighbors, is sure what's going to take place a year, or even a couple months, from now.

What they do know is the **Hawthorne** Army Depot, the largest ammunition storage facility in the U.S. military, which almost completely surrounds and defines their town in the Northern Nevada desert, may close. It's where more than 500 people are employed, almost half the small community's work force.

The Pentagon says it wants to close the **Hawthorne** Depot because too many munitions storage sites exist nationwide, and because **Hawthorne** has infrastructure problems that make it difficult to unload material. It recommends sending the depot's workload to Tooele Army Depot in Utah.

"There will be a lot of gnashing of teeth," said Scott, a retired telephone worker who came to **Hawthorne** as an 11-year-old with her family in 1939. "People are asking, 'What can we do? How can we stop this?'"

Hoping to find out, community leaders will meet Friday with federal officials. They'll appear before the Defense Base Closure and **Realignment** Commission (BRAC), which will spend the summer reviewing bases across the country scheduled for closure, at a western regional hearing in Clovis, N.M.

"We're still pushing like crazy for a site visit," said Shelley Hartmann, director of the Mineral County Economic Development Authority, who wants a future commission meeting in **Hawthorne**.

Nevada's three U.S. House members on Friday formally asked the military base closing commission to visit the depot before making a final decision.

If commissioners come, they're likely to see T-shirts, which have become popular clothing items in town, that have "No BRAC. No ghost town. No way," printed on them.

More than 60 **Hawthorne** residents, including Trujillo, have written letters to Nevada's congressional delegation, which has expressed support.

U.S. Rep. Jim Gibbons, R-Nev., a member of the House Armed Services Committee,

said closing the depot would have "considerable adverse impact" on **Hawthorne**.

The people who live there have a chance, which some acknowledge is slim, to change minds in the government before decisions are made on the depot and other endangered military facilities, including the Nevada Air National Guard's C-130 unit in Reno. Closing bases takes a vote of Congress, which could come in September.

The base

The depot, which covers 230 square miles and is known locally as "the base," was placed on a closure list in May, one drawn up on the other side of the country, at the Pentagon, where military officials said shutting the facility could save \$49 billion over 20 years.

But it would cost **Hawthorne**, where the depot has been located since 1930, both in lost paychecks and identity.

"Basically, it's the lifeblood of the community," Trujillo, a **Hawthorne** native who works as an administrative assistant in the town's state mental health center, said of the base. "My grandparents grew up with it. My parents grew up with it. The bunkers, the main gate, that's what they know."

Hawthorne's dilemma is common in rural Nevada, where small towns face uncertain futures when their primary industries, such as gold mines and military bases, close.

"They're all trying to figure out 'how do we keep going,'" said Guy Rocha, the state archivist who studies Nevada history and social trends. "It's the pattern and it repeats itself over and over again."

Right now, shutting the depot where about 300,000 tons of bombs and other ammunition is stored in 2,400 buildings is a recommendation, not a fact.

"It hasn't closed," said Lattin, who owns Maggie's Restaurant, a popular lunchtime spot in **Hawthorne**. "Is it going to this time? Who knows. I'm remaining optimistic."

Community leaders are searching for economic replacements, including industry, recreation at nearby Walker Lake and other tourism draws if the base closes. But mostly, they want to keep it open.

"They've been on the list," McCahill, who works at V&S Variety store in **Hawthorne**, said about previous years when other changes occurred at the base. Still, it has remained open. "Each time, they've made the cut. It's like jumping out of a plane. The odds get (worse) each time."

If, finally, the end comes for the base, entire families will be affected.

"My mom has been at the depot for 23 years," said Simmons, who, as an assistant with the Mineral County Economic Development Authority, strives to keep the depot open and save the town. "She's shocked. She's scared. That's all she's ever known."

Along with her mother, Simmons has an aunt and uncle working at the depot.

Trujillo's husband Paul works at the base, where he heads the transportation department. Trujillo also counts a stepbrother, stepsister, aunt and uncle among depot employees.

"He's made a nice career of it," Kathy Trujillo said of Paul. "He's been out there 24 years. It's just huge in our community."

But it's not as big as it used to be.

Bustling in WWII

During World War II, more than 5,000 civilians worked at the base, with an additional 2,000 military personnel, most of them in the Navy, stationed at the depot, where ammunition was manufactured and stored.

"When it was Navy, they spoiled **Hawthorne** rotten," said Scott, whose father worked at the depot for 30 years. "The Navy did a lot of PR."

But the Navy left in 1977. The Army assumed command of the base for a couple of years. Since 1980, the base has been operated by a civilian company, Day & Zimmerman of Philadelphia, with a much smaller work force under Army supervision. Bombs no longer are built on the base. The only military presence at the depot is an Army lieutenant colonel, along with Marine, Navy and Army units that periodically train in the desert.

"The morale went down," said Chaletta Speights, recalling when the Navy departed. "It was a quiet panic. I lost a lot of friends. It was devastating."

As the base changed, so did **Hawthorne**. The population declined. Stores closed.

"We need a dry cleaner and a laundromat," Scott said. "We don't really have a clothing store or a shoe store. Those are things we had when I came in 1939. We had two car dealers. We don't have any now."

State census figures show Mineral County's population declining from 6,200 in 1986 to 4,673 last year, with **Hawthorne** at 2,968. Enrollment in the Mineral County School District fell from 907 in 2000 to 747 for the just-completed academic year.

But suggestions that **Hawthorne** is becoming a ghost town are met with indignation.

"I think that's a crock," Scott said.

"I don't like hearing that," said Dick Groy, who owns V&S Variety.

"No, don't call us a 'ghost town,' " said Georgia Groy, Dick's wife.

The voices, again, are passionate.

"The town doesn't have to grow to get better," said Harold "Butch" Heater, a former Marine Corps drill instructor who worked at the base, then taught school before retiring this month after a year as interim principal of Mineral County High School in **Hawthorne**. "We point south to Las Vegas and north to Reno. Do we want to live

like that?"

Heater's view that it could be "great" if the base closes is shared by others who think **Hawthorne** must look elsewhere for survival and should have started the search a long time ago.

"For years we wanted to make a change, to not bank so much on the base," said Speights, who works at a family crisis center in **Hawthorne**. "Nobody listened. They were banking so much on the base."

Now they can't.

"We've got about a 15 percent chance," Hartmann said of the possibility of saving the base. "It's a pretty steep hill."

Eugene Presnell claims not to be frightened.

Pondering alternatives

"I do think **Hawthorne** can survive," said Presnell, who's in charge of a maintenance crew at the depot, where he's worked for almost 20 years. "We have land that can be developed. I would not be surprised to see some large manufacturing company trying to get out of a large metro area that's looking for a viable place to go."

Turning the base, with its 2,900 structures and railroad line, into a giant industrial park is one suggestion for future use of the depot if it closes and ammunition is removed, a process that's supposed to take from six to 10 years.

"We've been told it's going to take years for them to get it closed and get all the ammunition out," Lattin said. "Long term, if it did shut down, that would open up property for developing."

But industry may be tough to attract to **Hawthorne**.

The town's remote location on U.S. 95, which, despite being Nevada's main north-south highway, is a two-lane road for much of its length, helped bring the ammunition depot because military leaders were looking for a spot far from heavily populated areas. That spot, 132 miles southeast of Reno-Sparks and 311 miles north of Las Vegas, may become a liability if the base closes.

"The problem is every rural town in the country has space for an industrial park," said Roger Brooks, head of Destination Development in Olympia, Wash., who is advising **Hawthorne** and other rural Nevada communities on becoming tourist attractions. "If you had an operation in Sacramento or the (San Francisco) Bay area and you had a choice of (moving) to 1,000 communities in the West, why would you pick **Hawthorne**?"

Brooks hopes visitors will.

'Going gangbusters'

Hawthorne, which annually celebrates Armed Forces Day with a big parade and marked the event this year by raising a huge flag at the head of downtown, has

branded itself "America's Patriotic Home," and is developing a theme based on its military history.

"This is one community that is going gangbusters," Brooks said. "We are trying to slow it down. They are trying to promote when there is nothing really to promote."

Residents also look at Walker Lake as an attraction and hope fishing will improve with more water from the winter's heavy snowfall in the Sierra.

"This summer will be good," Hartmann said. "But, long range, they need to find a more efficient way to get water in the lake."

The future of Walker Lake, a popular recreation area with major economic importance to **Hawthorne** and the rest of Mineral County, remains in question. Over the last century, agriculture diversions have lowered the lake level by 150 feet, resulting in a steady buildup of salts that experts fear could soon render the lake incapable of supporting fish.

Hawthorne can't count on the lake, or the base. But **Hawthorne** hasn't given up. The voices say so.

"They are a good little community with a can-do attitude when most communities in their situation might be ready to fold the tent," Brooks said.

"I feel pretty good about **Hawthorne** surviving," Lattin said. "It's a nice small town. I'm a small-town boy and I like it."

Opinions/ Editorials

OUR VIEW

Reno Gazette-Journal (Nevada)

June 21, 2005

Officials resist closing **Hawthorne**

While state officials do what they can to persuade the Base **Realignment** and Closure Commission to keep the **Hawthorne** Army Depot open and operating, no one should count on it. Actively searching for and courting new commercial and industrial enterprises to move into the city and surrounding county areas will be among the best activities that officials can engage in to keep the area alive.

Residents and officials are resisting the notion that closure of the base could turn **Hawthorne** into a ghost town. However, the challenges that officials face as they attempt to create interest and investment in the area are considerable. The city and county need a renewal plan, something to reinvent the area's image. They need a plan that can attract new industrial and commercial enterprise and generate a new way of thinking about the area.

For many years, the base has been central to this rural area's commerce, employing nearly half the area's workforce. It is the core around which much of the economic life revolves.

But the city is isolated, situated along a two-lane highway more than 132 miles southeast of the Truckee Meadows and more than 300 miles north of Las Vegas. It is so far from any commercial or industrial center that residents and officials are right to be concerned. If the feds actually do shut down the facility, **Hawthorne** will need a solid and long-term alternative business core for it to survive.

Officials have considered promoting the area's military history and the fishing and boating provided by Walker Lake. But consultants say there is little truly interesting history to build upon and unless the lake's water level can be restored and guaranteed, the prospect for becoming a viable tourist attraction will be questionable.

Altogether, the challenges argue for putting together a plan that can attract new industrial, commercial and residential projects.

That doesn't mean the city must abandon the effort to attract tourists, however.

If **Hawthorne** and Mineral County officials don't have the local expertise to lure new enterprises, they must reach out to economic development and redevelopment specialists in other places who are becoming expert at mounting such plans. At their best, the projects can renew the life of old cities, keep small cities growing and transform rural towns into suburbia. Perhaps they can successfully dream up a project that can help rural **Hawthorne**, as well.

Military cutbacks and **realignments** are becoming increasingly extreme and **Hawthorne** Army Depot cannot continue to count on escaping the chopping block. Its survival depends on an industrial and commercial transformation.

Good luck.

**DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
2521 CLARK STREET
ARLINGTON, VIRGINIA 22202
(703) 699-2950**

MEMORANDUM OF MEETING

DATE: June 8, 2005

TIME: 9:00 AM

MEETING [X] or PHONE CALL [] WITH:

Day & Zimmermann Corp. Group

SUBJECT:

Hawthorne Army Depot
Kansas Army Ammunition Plant
Lone Star Army Ammunition Plant
Mississippi Army Ammunition Plant
Newport Chemical Depot

Note: All of the above installations are Government-Owned Contractor-Operated (GOCO) facilities for which Day & Zimmermann Corp. is the operating contractor.

PARTICIPANTS:

Name/Title/Phone Number:

William R. Holmes, President and CEO Munitions and Defense (DZMD) (215) 299-1567
Cliff Chichowlaz, President/General Manager Day & Zimmermann Hawthorne Corp. (775) 945-7660
James J. Hickey, Vice President of Government Affairs (703) 527-2147
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Jerry E. Smith, Vice President and General Manager Munitions and Government Services Lone Star AAP (903) 334-1210
Ken Elliott, General Manager Munitions and defense (DZMD) Kansas AAP (620) 421-7473
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Daniel C. Maldonado Chief Executive Officer MARC Associates, Inc. (202) 833-0086

Commission Staff:

Gary Dinsick, Army Team Leader

Elizabeth Bieri, Army Team Analyst

*George Delgado, Industrial-Joint Cross Services Issues Team Analyst

SUMMARY/NOTES:

Hawthorne Army Ammunition Depot

- Conditions have changed since 2003 data calls therefore COBRA submittal different from current numbers.
- Incorrect conclusions were reached by the Joint and Cross Services Team because data call numbers submitted for personnel were not included in the final report.
- Except for the installation Commander no military personnel are currently stationed at Hawthorne Army Ammunition Depot.
- Hawthorne Army Ammunition Depot is a Tier II Government Owned Contractor Operated (GOCO) munitions depot capable of shipping 2,000 tons of ammunition in 3 days.
- GOCOs provide an approach to rationalize the capacity of all ammunition functions (production, storage, renovation, and demilitarization) through competition.
- The decision shows a strategy to reduce GOCO's and to consolidate the workload into government owned government operated facilities.
- It's a capacity issue, particularly storage and demilitarization.
- Move to Tooele Army Ammunition Depot in Utah, a smaller installation than Hawthorne, is difficult as its storage space for ammunition is almost full. By 2007 all 8 current depots will be full with the returning ammunition (retrograde) from the Pacific rim, Europe, and Southwest Asia. The services will need to demilitarize 440K tons to create space for the overseas retrograde.
- There will be state licensing and permits issues at Toole and significant community issues. No encroachment issues exist at Hawthorne as it is surrounded by Federal lands, Tooele has encroachment issues.
- What is important are the types of facilities at Hawthorne, not the workload.
- Hawthorne's ammunition demilitarization capabilities were undervalued. The facility was not in full use during the 2003 data collection period and the data showed 0 munitions demilitarization when in fact Hawthorne was demilitarizing 6,000 tons per year.
- The demilitarization facility constructed in 1971-1972 was upgraded with new interiors, equipment, and technology and was accepted for use in 1984. The upgraded facility has a 50 year system design life that resulted in one of the few environmentally friendly ammunition demilitarization facilities in the country.
- The depot has two types of magazines in use by the Navy and the Marines for munitions storage that will need to be relocated.
- Hawthorne includes facilities appropriate for multi-function training, for example its area 101 is an urban training facility that looks like Iraq/Iran used by Seals, the US Marines, and Special Forces units who also use the barracks during training rotations.
- Hawthorne is currently working on providing a convoy live fire training scenario in its facilities.

- If Hawthorne closes down there will be significant community issues as the unemployment rate in the area will reach 27%.
- COBRA numbers do not include the tenants who will have to move if the depot closes down.
- Environmental clean up estimated at around \$383 Million were not included in the closing costs or payback for closure.
- The group recommends a BRAC commissioner visit to Hawthorne or as a minimum a staff visit.

Kansas Army Ammunition Plant

- Data does not consider current production at the depot.
- Expensive to move the facility due to specialized equipment i.e. a centrifuge.
- The Army will need to direct this workload movement to other Army ammunition activities or it could be competitively awarded to a non-U.S. source.

Lone Star Army Ammunition Plant

- There were data errors on personnel and capacity.
- No recognition in the data as to the complexity of producing ammunition.
- Potential for work to be contracted to SNC, Canada this will invalidate the projected savings, and the industrial base then will migrate to Canada. The Army will need to direct this workload movement to other Army ammunition activities or it could be competitively awarded to a non-U.S. source.
- Local use authority takes charge of the facilities and leases the facilities to Day & Zimmermann.

Day & Zimmermann Group summary:

- Concur with the assessment of overcapacity but believe the way to rationalize the capacity at the ammunition depots is through competition.
- Data used by the Joint and Cross Services team was inaccurate.
- It is a mistake to move Hawthorne into a smaller facility (Toole).
- Hawthorne's demilitarization capability was undervalued.
- Hawthorne was targeted for closure and the analysis was made to fit.
- Did the Joint and Cross Services' Team consider a scenario to close Toole Army Ammunition Depot?

Day & Zimmermann Group recommendations:

- Keep Hawthorne Army Ammunition depot open
- Privatize Kansas and Lone Star Army Ammunition Plants in place
- Agree with closures of Mississippi Army Ammunition Plant and Newport Chemical Depot
- Data call information in disagreement, query DOD.

Meeting was adjourned at 10:00AM, June 8, 2005.

* Person responsible for this Memorandum: George M. Delgado

INDUSTRIAL JOINT CROSS SERVICE GROUP

June 16, 2005

MEMORANDUM FOR R. GARY DINSICK, ARMY TEAM LEADER

SUBJECT: REQUEST COMMENT ON HAWTHORNE ARMY DEPOT,
KANSAS AAP, AND LONE STAR AAP

The following is in response to an e-mail inquiry of June 9, 2005, where you asked the following questions:

Question:

Attached for your review and comment are issues tied to the closure of army bases, Lone Star, Kansas AAP, and Hawthorne Army Depot. For all three installations, representatives of the communities and Day and Zimmerman the contractor stated that the personnel numbers were inaccurate, noting that information provided in response to data calls was not used or incorporated into the final recommendation, and that the contract workforce had not been taken into consideration. In each case, the facility is government-owned, contractor-operated (GOCO), meaning that the workforce is contractual by nature instead of a more typical federal civilian workforce. Please respond as to what the correct personnel figures should be at each installation.

Answer:

Information provided in response to the data call on the civilian and contractor workforce was used in the analysis. There were eight specific Military Value questions that asked each installation to identify the number of Civilian Government Employees and Contractor Employees supporting munitions production, maintenance, storage/distribution and demilitarization. In an effort to ensure all installations were evaluated equally, each installation was told to provide this information as of a specific point in time, September 30, 2003. The workforce numbers utilized in the analysis were originally certified as accurate at the installation level.

Question:

The concern was presented that closure of Hawthorne with movement to Tooele Army Depot was not logical as movement was occurring from a large facility into a smaller facility. How was the decision made to move the Hawthorne mission to Tooele?

Answer:

Size was not the determining factor for site retention, or military value. Tooele is one of the Department's Tier I power projection platforms in the West (*Tier I is defined as*

follows: Active Core Depots installations will support a normal/full-up activity level with a stockage configuration of primarily required stocks and minimal non-required stocks during demilitarization. Normal activity includes daily receipts/issues of training stocks, storage of war reserve stocks required in contingency operations and additional war reserve stocks to augment lower level tier installation power projection capabilities. Installations at this activity level will receive requisite levels of storage support, surveillance, inventory, maintenance, and demilitarization.) It sits at a major convergence of trans-continental rail lines, interstate highways (east-west and north-south), and airfields (both military and civilian). It shipped more than 1,000 containers (20,000 tons plus) of ammunition in support of OEF and OIF and maintains a Stryker Brigade Combat Team (SBCT) ammunition basic load configured in support of the I Corps rapid deployment mission. Tooele's ammunition storage stockpile consists largely of critical go-to-war stocks that can be quickly out-loaded and moved to transportation nodes in response to all contingencies and mission demands.

Question:

With respect to Hawthorne, the community mentioned that there would be a significant issues with permits in Utah and there would also be a significant community (Utah) concern regarding the demil work that would move from Hawthorne to Tooele. Please discuss Utah requirements and information, with regard to environmental permits and requirements to successfully move the Hawthorne mission to Tooele.

Answer:

There is an environmental impact statement provided in Criteria 8 and the analysis includes \$1.1M for a New Source Review and Environmental Impact Study. There are no reported Air Permit thresholds or noise impact. There are no known, or anticipated, Tooele community concerns.

Within the mandated BRAC timeframes, Hawthorne will demil in place all existing unserviceable and obsolete stocks. Tooele will receive future demil workload.

Question:

Please discuss how each of the missions at Hawthorne Army Depot was considered in the closer of the facility; particularly their demilitarization capability?

Answer:

The missions identified for Hawthorne are Tier II storage/distribution (*Tier II is defined as follows: Cadre Depots are installations that perform static storage of follow-on war reserve requirements. Daily activity will be minimal for receipts/issues. Workload will focus on maintenance, surveillance, inventory, and demilitarization operations*) and demilitarization. The most critical portion of their mission is storage/distribution.

With respect to the storage and distribution mission Tooele is one of the Department's Tier I power projection platforms in the West and following demil of the existing stockpile, will be able to accommodate future requirements. The demilitarization mission

comparison follows: Hawthorne has the capability to demil 27 different Munitions Items Disposition Action System (MIDAS) class munitions and Tooele has the capability to demil 25 (duplicating 81% of Hawthorne's capability). Hawthorne demils 5 classes of munitions that Tooele does not have the capability to demil and Tooele has 3 classes that Hawthorne does not have the capability to demil. Both Hawthorne and Tooele have the ability to perform Open Burn/Open Detonation (OB/OD), incineration, and reclamation and reported comparable capacity. Following demil of the existing stockpile, the remaining multi-functional sites will be able to fulfill the projected 2025 demil requirements.

Question:

Were any other scenarios explored which did not close Hawthorne, but realigned other sites and moved missions to Hawthorne? If so, what were the scenarios and why were they rejected?

Answer:

There were no scenarios explored that realigned other sites and moved mission to Hawthorne. A guiding principle was to consolidate to multi-function installation that would permit the Army to Supply, Service, Maintain, Deploy, and Employ. The focus of the joint cross service group was to retain as many multi-functional installations as necessary that have the capacity and capability to produce munitions, store/distribute munitions, demil munitions, and perform maintenance on munitions.

A sequential process used in evaluations: The first phase gathered information on capacity, capability, military value data and requirements to support the 20 Year Force Structure Plan. Reviewed the capacity and capability needed to support the military departments. Established priorities: Retain multifunctional infrastructure that supports production, storage/distribution, demilitarization, and maintenance. The second phase of the process was the development of recommendations. Step one established scenarios that ensured we retained the capacity and capability to produce the munitions commodities needed to support the joint forces. Step two established scenarios that made sure we retained the storage/distribution sites needed to provide the power projection platform needed to support rapid deployment (if a site was retained in Step one for production and met the criteria needed in Step two, it was an automatic carry over). Step three retained the sites needed to perform demilitarization (if a site was retained in Steps one and/or two for production and storage/distribution, and met the criteria needed in Step three, it was an automatic carry over). Step four then retained the additional sites needed to perform munitions maintenance.

Question:

With regard to Lone Star and Kansas, please discuss how you accounted for and incorporated the complexity of manufacturing ammunition into the recommendations.

Answer:

The complexity of munitions manufacturing processes were incorporated into the military value portion of the analysis. The sites input to that portion of the analysis is in questions relating to Munitions Explosives Processes, Munitions Metal Parts Processes, Munitions Load, Assemble, and Pack. Those processes were considered and used in BRAC Criteria 1 and Criteria 3.

Question:

There was a discussion and reference to a RAND study which recommended privatization in place of all the ammunition plants. Please provide a COBRA run, analysis and comments on the potential for a suggestion to privatize both Lone Star and Kansas in place.

Answer:

Your request for a COBRA run to privatize Lone Star and Kansas is not possible without an extensive data call. Failure to privatize was not an oversight on our part. Our early analysis noted that out through FY 2004 – FY 2006 the four Load, Assemble, and Pack (LAP) plants that produce similar products (High Explosive (HE) melt pour artillery and mortar rounds) had extremely low production utilization rates (Iowa (35%), Lone Star (5%), Kansas (10%), and Milan (15%)). This was an indicator that there is excess in the industrial base and there a need to reduce the number of LAP plants, not privatize. Privatization in place would not fix the fact that we have too many LAP plants. It merely shifts ownership from the government to the commercial sector while retaining the same number of producers and degrading efficiencies that could result from these recommendations. Ultimately, the Department would still be paying for excess capacity. For instance, if the decision was made to privatize Lone Star and Kansas, and compete the contract among the four LAP plants (two in the government base and two in the commercial sector), and privatized Lone Star won the competition, the government will pay overhead twice. Once to the winner of the competition (through prices paid to Lone Star) and again to maintain the two plants retained within the organic industrial base.

The focus of the BRAC analysis was to perform a strategic and tactical analysis that makes the existing industrial base more efficient while providing DoD with the ability to: Supply, Service, and Maintain (the Department needs access to logistical and industrial infrastructure capabilities that are optimally integrated into a skilled and cost efficient national industrial base that provides agile and responsive global support to operational forces) and Deploy & Employ (Operational) (the Department needs secure installations that are optimally located for mission accomplishment (including homeland defense); that support power projection, rapid deployment, and expeditionary force requirements for reach-back capability; that sustain the capability to mobilize and surge; and that ensure strategic redundancy). Our recommendations accomplished that goal.

Congress of the United States
Washington, DC 20515

062205

June 17, 2005



Defense Base Closure and Realignment Commission
2005 Defense Base Closure and Realignment Commission
2521 S. Clark Street, Suite 600
Arlington, Virginia 22202

06222005

To All Commissioners:

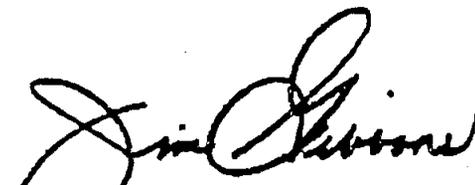
The purpose of this letter is to respectfully request that the 2005 Defense Closure and Realignment Commission ("BRAC") conduct a sight visit at the Hawthorne Army Depot located in Hawthorne, Nevada. The installation is slated to be closed completely in this final round of BRAC. We feel the recommendation of closure was based on inaccurate information regarding the mission of the depot as well as the economic impact to the community.

We specifically request that either a commissioner or a staff member visit Hawthorne as soon as possible. We trust in the BRAC's mission "to assess whether the Department of Defense (DoD) recommendations substantially deviated from the Congressional criteria used to evaluate each military base." In holding to this mission, we believe that a site visit will aid the Commission's assessment abilities and will reveal a "substantial deviation from the Congressional criteria" used to evaluate Hawthorne. A visit will allow depot personnel, as well as local business and community leaders, to better educate the Commission on evaluation inaccuracies and reasons why the installation should be removed from the closure list.

It is our understanding that in addition to military value, the Commission also considers the human impact when determining a base closure. We truly believe that only by visiting Hawthorne Army Depot, and the surrounding community of Hawthorne, will the Commission be able to accurately and fairly determine the "possible economic, environmental, and other effects on the surrounding communities."

Thank you for your careful consideration of this important request. We look forward to a expeditious and favorable response from the Commission.

Sincerely,


Jim Gibbons
Member of Congress


Shelley Berkley
Member of Congress


Jon Porter
Member of Congress

Board of
DEN 9141
MINERAL COUNTY COMMISSIONERS

RICHARD BRYANT, CHAIRMAN

NANCY BLACK, Vice-Chairman

EDWARD FOWLER, Member

Telephone: 775-945-2446
FAX 775-945-0706
P.O. Box 1450
Hawthorne, Nevada 89415

GOVERNING BOARD FOR THE TOWNS OF
HAWTHORNE, WALKER LAKE, LUNING
AND MINA
LIQUOR BOARD AND GAMING BOARD

June 22nd, 2005

RECEIVED
06 27 2005

BRAC Commission
2521 S. Clark Street
Suite 600
Arlington, VA 22202

Sir:

Attached herewith is a **corrected** copy of letter dated June 20, 2005 from Mineral County Board of Commissioners relative to closure of HWAD.

Please accept our apology for any inconvenience the previous letter may have caused.

BOARD OF MINERAL COUNTY COMMISSIONERS

BY Helen J. Skatky By B. Jones
CLERK OF THE BOARD As. Deputy

Board of
MINERAL COUNTY COMMISSIONERS

RICHARD BRYANT, CHAIRMAN

NANCY BLACK, Vice-Chairman

EDWARD FOWLER, Member

Telephone: 775-945-2446
FAX 775-945-0706
P.O. Box 1456
Hawthorne, Nevada 89415

GOVERNING BOARD FOR THE TOWNS OF
HAWTHORNE, WALKER LAKE, LUNING
AND MINA
LIQUOR BOARD AND GAMING BOARD

June 20, 2005

BRAC Commission
2521 S. Clark St
Suite 600
Arlington, Va. 22202

Re: BRAC closure listing for Hawthorne Army Depot

Sir:

It was with dismay that the Mineral County Board of Commissioners reviewed the published Department of Defense recommendation that the Hawthorne Army Depot in Hawthorne, Nevada be closed. Hawthorne is the County seat in Mineral County, and at approximately 4,000 in population, is by far the largest community in Mineral County. Hawthorne is located in a very remote and sparsely populated area of Nevada, about 135 miles south of Reno/Sparks, and 310 miles north of Las Vegas.

After reading your recommendation, and the data provided with it to support your recommendation, this Board was left bewildered with the inaccuracy of the data used to reach and support your recommendation. As such, this Board is compelled to not only question your decision and data, but to protest it as well.

A recent evaluation by the Military Capabilities Report of military installation assets as to their military value rated Hawthorne Army Depot currently as second only to McAlester as a whole, and first in several categories. For future, long term military value, Hawthorne Army Depot was rated as first. What has changed that would explain or justify the loss of all military value, current and/or future?

The BRAC Commission was charged with using an established set of principles in conjunction with military judgment to evaluate each installations' military value, and to use that military value as the primary consideration in making closure and realignment recommendations. From our perspective, it appears that a decision was made to close HWAD, and then to attempt to compile flawed data to support that recommendation. Our community, State, and County leaders have worked long and hard in researching data and developing a response to your recommendation that soundly and accurately address each and every aspect in determining HWAD's military value. All this data was compiled by the Mineral County Economic Development Authority and the Mineral County Chamber of Commerce into a large binder referred to as the "Hawthorne Fact Book". Your Commission will be receiving this document at the Clovis, N.M. hearings.

It is this Board's decision that we, for the most part, will let the facts and data as outlined and presented in the Hawthorne Fact Book speak for themselves. There are, however, a few areas that we wish to address.

Two key areas in determining an installation's military value were the installation's ability to expand both it's mission and it's borders, and also the all-important encroachment condition, both present and future. Hawthorne Army Depot is the Nation's largest Depot, and has ample room to expand to

accommodate virtually any mission. This Board is currently in negotiations with the Commanding Officer, HWAD, for the withdrawal of 10,000 acres of privately owned land and up to 142,000 acres of BLM lands that are adjacent to the south side of the installation. This land withdrawal would accommodate the needs of multi-services training and testing requirements. This would greatly enhance the fast-growing training mission of the Army Depot, and would result in absolutely no encroachment on any community within the County or surrounding area. What other installation can request the withdrawal of an additional 152,000 acres to expand it's mission capabilities, and receive the blessing of the surrounding area, with no encroachment, present or future?

There have been numerous studies conducted on developing more economical methods of conducting business within the Dept. of Defense. Virtually all of these studies/reports have recommended increasing the privatization or "out-sourcing" of installations by going from a GO-GO to a GO-CO operation. Out-sourcing or contracting out facilities has proven to be a very effective cost-cutting tool for managing facilities. Hawthorne Army Depot was one of the first to become a GO-CO twenty-five (25) years ago, and has performed in an outstanding manner and has been an asset to the community and County for this entire time period.

The BRAC closure recommendations, however, appear to be not only conspicuous, but suspicious in relation to the recommendation of expanding GO-CO's. Day & Zimmerman Corp. has had the contract to operate HWAD for twenty-five years. They also have the contract to operate four other facilities, Newport Chemical Plant, Miss. Ammunition Plant, Lone Star Ammunition Plant, and Kansas Ammunition Plant. All five of these GO-CO's were recommended for closure by the BRAC. Are we to believe this was just a coincidence? We believe that it appears that the BRAC Commission is sending out the message that (1) the BRAC Commission is rejecting the directive to out-source, (2) That out-sourcing is the next step to facility closure, and (3) DOD has little regard for the well-being of private sector/contract employees versus that of public sector employees.

It is also troubling that HWAD was apparently the ONLY facility to have alternative scenarios performed, and this with flawed data. HWAD's stocks are destined for Tooele Army Depot. Has the BRAC Commission ever been to Tooele? Our Board Chairman spends a great amount of time in the Salt Lake City area that includes Tooele. Unlike Hawthorne, Tooele is within twenty straight-line miles of over 2 million people, and is already suffering from encroachment. The people in the Salt Lake Valley and surrounding area recognize the value of the land and facilities that comprise the Tooele Army Depot. It would be a very sound bet that by the time the movement of stocks from HWAD to Tooele is completed, DOD will be searching for a location to move Tooele Army Depot and it's missions to, due to the encroachment created by the incredible growth the area is experiencing, and the resultant overwhelming resistance to Tooele's mission, especially Demil. We challenge the BRAC Commission to run an alternative scenario on the facility slated to receive HWAD's stocks.

We, as a Board, are requesting a site visit. We have become very frustrated in our efforts to inquire as to why a site visit was not scheduled for HWAD. One inquiry established criteria of 200 jobs lost before a site visit would be made, and we were at 199. That criteria later changed to 500 jobs lost when told the 199 was not accurate. Factual data shows that the job loss exceeds the 500 level also, but still no site visit. Conservative estimates show that the direct and indirect job loss in the community at about 900, or about 50% of the jobs within the community, and accompanied by the devastating economic impact in all facets of life, services, and government created by this large job loss. This community has dedicated itself to the service and support of the Department of Defense and it's components for over seventy-five (75) years without question or complaint. No other community or County affected by the BRAC Commission recommendations is faced with the level of economic impact Hawthorne will sustain. We will incur a trem.....Haven't we earned a site visit or at least a straight answer?

HWAD's and the County's infrastructure and ability to meet mobilization requirements has been brought into question. Close scrutiny by the BRAC will lay these concerns to rest. Our railroad and highways are sound and well-maintained, and our airport runway was recently expanded to accommodate military airlift and cargo aircraft. HWAD and the community have 75 years of outstanding performance in

meeting mobilization requirements to include manpower and equipment. The BRAC report contradicts itself in regards to movement of stocks/materials. HWAD seems to get a failing grade for ability to respond for mobilization, but can meet a very ambitious shipping and demil schedule in order to meet the time line for closure.

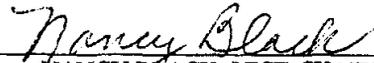
In closing, we again request that the Hawthorne Fact Book be read and evaluated, and that the BRAC Commission listen to the presentation made at the Clovis hearing with an open mind. We are confident that a review of all data and materials will persuade the Commission of the importance of a site visit, and hopefully eventual removal from the closure listing.

Thank you for your time and attention, and if you have any comments or questions, please do not hesitate to contact any member of the Mineral County Board of Commissioners at any time.

Respectfully,

BOARD OF MINERAL COUNTY COMMISSIONERS

BY 
RICHARD BRYANT, CHAIRMAN

BY 
NANCY BLACK, VICE-CHAIRMAN

BY 
ED FOWLER, MEMBER

BOARD OF MINERAL COUNTY COMMISSIONERS

DINA TITUS

SENATOR
Clark No. 7

MINORITY FLOOR LEADER

COMMITTEES:

Member
Judiciary
Government Affairs
Legislative Affairs and Operations



13125

State of Nevada Senate

Seventy-first Session

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Carson City, Nevada 89701-4747
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Fax No.: (775) 684-6522

June 17, 2005

The Honorable Anthony J. Principi
Chairman, Defense Base Closure and Realignment Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

RECEIVED
06272005

Subject: HAWTHORNE ARMY DEPOT

Dear Mr. Chairman:

I respectfully request your strongest consideration to visit and then reconsider the recommendation to close Hawthorne Army Depot in Mineral County, Nevada. There are significant economic impacts to the community that, due to its remote location, were methodologically overlooked in the Region of Influence (ROI) and Economic Area Employment analytical processes. This oversight is simple, yet impacts significantly.

The community and base at Hawthorne, Nevada are compared under the Reno-Sparks Metropolitan Statistical Area (MSA) which significantly skews the impact – to nil – of the actual 14 percent job loss to the community. In reality, Hawthorne is located 136 driving miles from the center of Reno-Sparks, and 72 driving miles from the nearest *Micropolitan Area* of Fallon, Nevada. Using Hawthorne's Mineral County as a surrogate Micropolitan Statistical Area (similar to such locales/counties as Susanville and Fallon, both over 10,000 employees and within the Reno-Sparks MSA) the 2002 Bureau of Economic Analysis non-farm employment rate of 2,299 people yields the 14 percent economic impact of losing 325 jobs at Hawthorne. Supporting documentation is attached. The use of Mineral County data for a surrogate ROI has precedent in the methodology, e.g., for King George County, Virginia. I have studied the BRAC Economic Impact Joint Process Action Team Six Report and believe this impact was seriously understated and misleading due to Hawthorne's remote location.

Similar significant impacts warrant visits to other sites under consideration for closure. I strongly commend that, in light of the more accurate context, you visit Hawthorne Army Depot at your earliest opportunity. Please feel free to contact me at any time on this important issue.

Most sincerely,

Handwritten signature of Dina Titus in cursive script.
Dina Titus

State Senate Minority Leader

Attachments:

- 1. Bureau of Economic Analysis MSA Map**
- 2. Mineral County Data**
- 3. Lassen and Churchill Counties (Susanville and Fallon Micropolitan Statistical Areas) Data**
- 4. Map of Nevada with driving distances**

cc w/o att:

President George W. Bush

The Honorable Kenny C. Guinn, Governor of Nevada

The Honorable Donald Rumsfeld, Secretary of Defense

The Honorable Harry Reid, United States Senate

The Honorable John Ensign, United States Senate

The Honorable Jim Gibbons, Representative in Congress

The Honorable Shelley Berkely, Representative in Congress

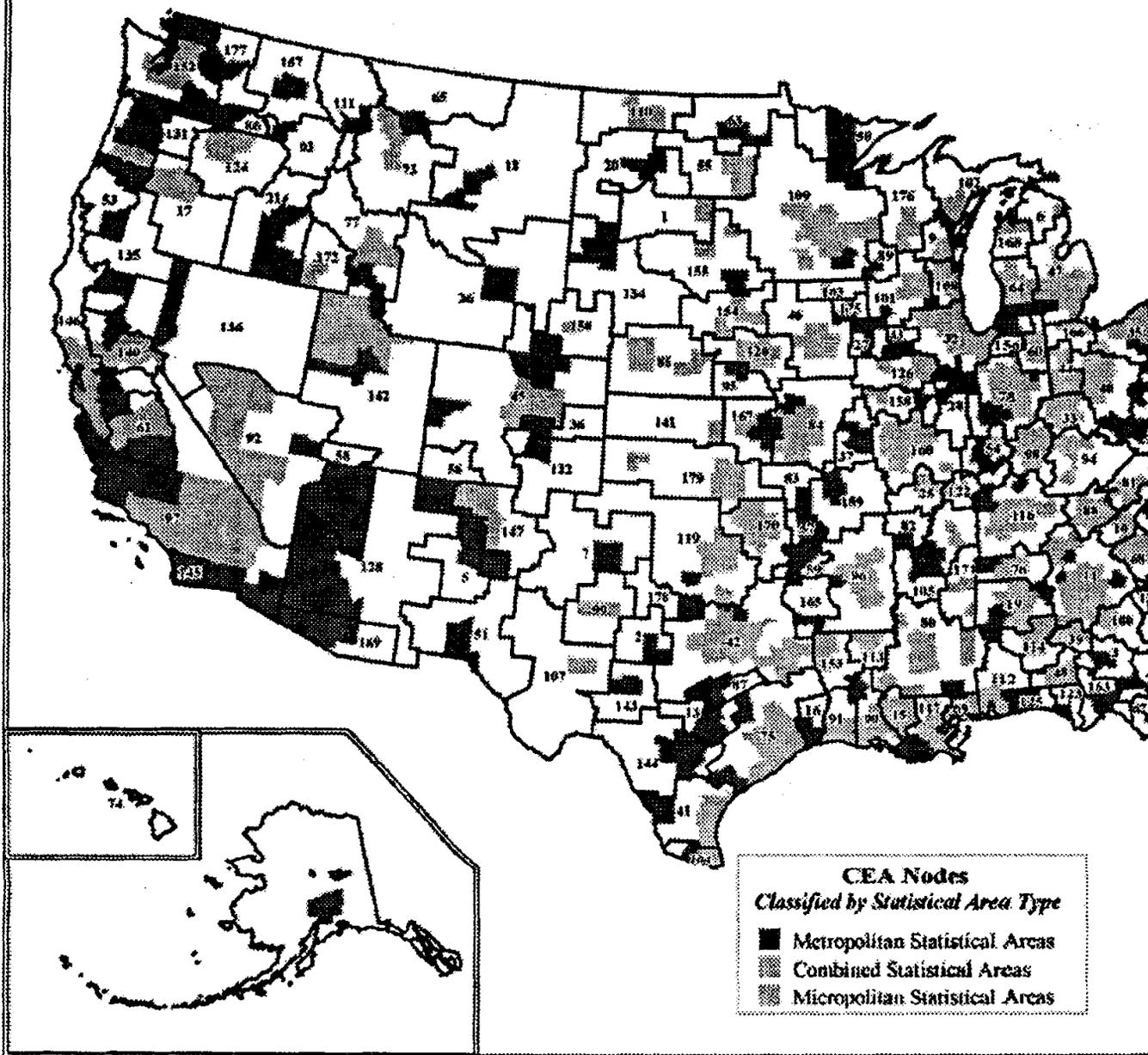
The Honorable Jon C. Porter, Representative in Congress

The Honorable James H. Bilbray, Defense Base Realignment and Closure Commission

Mr. Richard Bryant, Chairman, Mineral County Commission

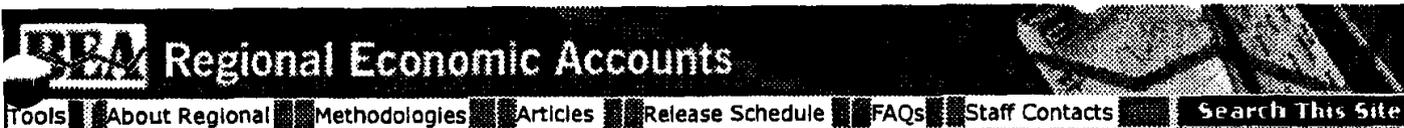
Ms. Shelley Hartmann, Executive Director, Mineral County Economic Development Authority

BEA Economic Areas and Component Economic Area (CEA) Node
November 2004



Source: U.S. Bureau of Economic Analysis





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CA25N - Total full-time and part-time employment by industry

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32021 - Mineral

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**CA25N Total full-time and part-time employment by industry — Mineral, NV
(number of jobs)**

Code	Item	2001	2002	2003
0010	Total employment	2,333	2,344	2,334
0020	Wage and salary employment	1,813	1,802	1,779
0040	Proprietors employment	520	542	555
0050	Farm proprietors employment	36	36	36
0060	Nonfarm proprietors employment 2/	484	506	519
0070	Farm employment	47	45	46
0080	Nonfarm employment	2,286	2,299	2,288
0090	Private employment	1,668	1,685	1,680
0100	Forestry, fishing, related activities, and other 3/	(D)	(D)	(D)
0200	Mining	(D)	(D)	(D)
0300	Utilities	(D)	(D)	(D)
0400	Construction	58	64	(D)
0500	Manufacturing	(D)	(D)	(D)
0600	Wholesale trade	(D)	(D)	(D)
0700	Retail trade	213	217	202
0800	Transportation and warehousing	18	18	(D)
0900	Information	(D)	(D)	(D)
1000	Finance and insurance	(D)	(D)	(D)
1100	Real estate and rental and leasing	(D)	(D)	(D)
1200	Professional and technical services	39	48	50
1300	Management of companies and enterprises	0	0	0
1400	Administrative and waste services	(D)	(D)	(D)
1500	Educational services	(L)	(L)	(L)
1600	Health care and social assistance	83	78	69

<u>1700</u>	■	Arts, entertainment, and recreation	(D)	(D)	(D)
<u>1800</u>	■	Accommodation and food services	(D)	(D)	(D)
<u>1900</u>	■	Other services, except public administration	81	(D)	(D)
<u>2000</u>	■	Government and government enterprises	618	614	608
<u>2001</u>	■	Federal, civilian	85	83	76
<u>2002</u>	■	Military	12	11	12
<u>2010</u>	■	State and local	521	520	520
<u>2011</u>	■	State government	(D)	(D)	(D)
<u>2012</u>	■	Local government	(D)	(D)	(D)

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Footnotes for Table CA25 (NAICS)

1. The estimates of employment for 2001-2003 are based on the 2002 North American Industry Classification System (NAICS).
2. Excludes limited partners.
3. "Other" consists of the number of jobs held by U.S. residents employed by international organizations and foreign embassies and consulates in the United States.
4. Broomfield County, CO, was created from parts of Adams, Boulder, Jefferson, and Weld counties effective November 15, 2001. Estimates for Broomfield county begin with 2002.

- E The estimate shown here constitutes the major portion of the true estimate.
- (D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.
- (L) Less than 10 jobs, but the estimates for this item are included in the totals.
- (N) Data not available for this year.

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CA25N Total full-time and part-time employment by Industry -- Reno-Sparks, NV
(MSA),
(number of jobs)

Code	Item	2001	2002	2003
0010	Total employment	241,577	242,281	247,538
0020	Wage and salary employment	203,874	202,542	206,594
0040	Proprietors employment	37,703	39,739	40,944
0050	Farm proprietors employment	322	322	322
0060	Nonfarm proprietors employment 2/	37,381	39,417	40,622
0070	Farm employment	668	603	636
0080	Nonfarm employment	240,909	241,678	246,902
0090	Private employment	216,424	215,923	220,625
0100	Forestry, fishing, related activities, and other 3/	317	374	407
0200	Mining	1,001 E	928 E	875 E
0300	Utilities	965 E	(D)	965 E
0400	Construction	18,934 E	19,121 E	20,514 E
0500	Manufacturing	14,745	14,305	14,428
0600	Wholesale trade	12,150 E	11,808	11,356 E
0700	Retail trade	25,591	25,961	26,428
0800	Transportation and warehousing	10,339 E	(D)	10,599 E
0900	Information	4,201	3,853 E	3,726 E
1000	Finance and insurance	11,124 E	11,402 E	11,670 E
1100	Real estate and rental and leasing	10,637	10,891 E	11,056 E
1200	Professional and technical services	14,282	14,356	14,707 E
1300	Management of companies and enterprises	2,139	2,200	2,410
1400	Administrative and waste services	13,489	13,252	14,215 E
1500	Educational services	1,613 E	1,651 E	1,760 E
1600	Health care and social assistance	18,976 E	19,960 E	20,688 E

<u>1700</u>	<input type="checkbox"/>	Arts, entertainment, and recreation	8,951	9,117	9,061
<u>1800</u>	<input type="checkbox"/>	Accommodation and food services	37,199	35,121	34,947
<u>1900</u>	<input type="checkbox"/>	Other services, except public administration	9,409	9,949	10,243
<u>2000</u>	<input type="checkbox"/>	Government and government enterprises	24,485	25,755	26,277
<u>2001</u>	<input type="checkbox"/>	Federal, civilian	3,152	3,195	3,356
<u>2002</u>	<input type="checkbox"/>	Military	724	746	782
<u>2010</u>	<input type="checkbox"/>	State and local	20,609	21,814	22,139
<u>2011</u>	<input type="checkbox"/>	State government	6,424 E	6,951 E	7,020 E
<u>2012</u>	<input type="checkbox"/>	Local government	14,008 E	14,679 E	14,931 E

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21980 - Fallon, NV Micropolitan SA

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CA25N Total full-time and part-time employment by industry -- Fallon, NV Micropolitan SA, (number of jobs)

Code	Item	2001	2002	2003
0010	Total employment	16,547	16,829	17,152
0020	Wage and salary employment	9,696	9,605	9,715
0040	Proprietors employment	6,851	7,224	7,437
0050	Farm proprietors employment	545	544	544
0060	Nonfarm proprietors employment 2/	6,306	6,680	6,893
0070	Farm employment	702	672	687
0080	Nonfarm employment	15,845	16,157	16,465
0090	Private employment	12,694	12,957	13,202
0100	Forestry, fishing, related activities, and other 3/	89	102	105
0200	Mining	38	(D)	(D)
0300	Utilities	94	101	109
0400	Construction	867	905	959
0500	Manufacturing	720	662	643
0600	Wholesale trade	307	291	297
0700	Retail trade	1,791	1,822	1,835
0800	Transportation and warehousing	393	424	448
0900	Information	162	232	231
1000	Finance and insurance	822	869	887
1100	Real estate and rental and leasing	1,326	1,390	1,447
1200	Professional and technical services	(D)	890	914
1300	Management of companies and enterprises	(D)	53	65
1400	Administrative and waste services	1,378	1,412	1,396
1500	Educational services	(D)	(D)	(D)
1600	Health care and social assistance	(D)	(D)	(D)

<u>1700</u>	■	Arts, entertainment, and recreation	1,033	1,068	1,074
<u>1800</u>	■	Accommodation and food services	713	754	770
<u>1900</u>	■	Other services, except public administration	796	832	861
<u>2000</u>	■	Government and government enterprises	3,151	3,200	3,263
<u>2001</u>	■	Federal, civilian	666	657	652
<u>2002</u>	■	Military	1,076	1,121	1,163
<u>2010</u>	■	State and local	1,409	1,422	1,448
<u>2011</u>	■	State government	(D)	(D)	(D)
<u>2012</u>	■	Local government	(D)	(D)	(D)

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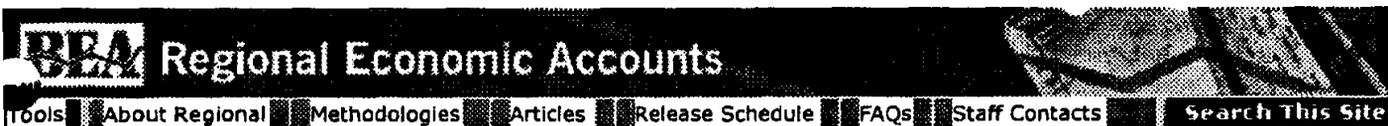
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CA25N Total full-time and part-time employment by industry -- Churchill, NV (number of jobs)

Code	Item	2001	2002	2003
<u>0010</u>	Total employment	16,547	16,829	17,152
<u>0020</u>	Wage and salary employment	9,696	9,605	9,715
<u>0040</u>	Proprietors employment	6,851	7,224	7,437
<u>0050</u>	Farm proprietors employment	545	544	544
<u>0060</u>	Nonfarm proprietors employment 2/	6,306	6,680	6,893
<u>0070</u>	Farm employment	702	672	687
<u>0080</u>	Nonfarm employment	15,845	16,157	16,465
<u>0090</u>	Private employment	12,694	12,957	13,202
<u>0100</u>	Forestry, fishing, related activities, and other 3/	89	102	105
<u>0200</u>	Mining	38	(D)	(D)
<u>0300</u>	Utilities	94	101	109
<u>0400</u>	Construction	867	905	959
<u>0500</u>	Manufacturing	720	662	643
<u>0600</u>	Wholesale trade	307	291	297
<u>0700</u>	Retail trade	1,791	1,822	1,835
<u>0800</u>	Transportation and warehousing	393	424	448
<u>0900</u>	Information	162	232	231
<u>1000</u>	Finance and insurance	822	869	887
<u>1100</u>	Real estate and rental and leasing	1,326	1,390	1,447
<u>1200</u>	Professional and technical services	(D)	890	914
<u>1300</u>	Management of companies and enterprises	(D)	53	65
<u>1400</u>	Administrative and waste services	1,378	1,412	1,396
<u>1500</u>	Educational services	(D)	(D)	(D)
<u>1600</u>	Health care and social assistance	(D)	(D)	(D)

<u>1700</u>	<input checked="" type="checkbox"/>	Arts, entertainment, and recreation	1,033	1,068	1,074
<u>1800</u>	<input checked="" type="checkbox"/>	Accommodation and food services	713	754	770
<u>1900</u>	<input checked="" type="checkbox"/>	Other services, except public administration	796	832	861
<u>2000</u>	<input checked="" type="checkbox"/>	Government and government enterprises	3,151	3,200	3,263
<u>2001</u>	<input checked="" type="checkbox"/>	Federal, civilian	666	657	652
<u>2002</u>	<input checked="" type="checkbox"/>	Military	1,076	1,121	1,163
<u>2010</u>	<input checked="" type="checkbox"/>	State and local	1,409	1,422	1,448
<u>2011</u>	<input checked="" type="checkbox"/>	State government	(D)	(D)	(D)
<u>2012</u>	<input checked="" type="checkbox"/>	Local government	(D)	(D)	(D)

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CA25N Total full-time and part-time employment by Industry -- Susanville, CA Micropolitan SA, (number of jobs)

Code	Item	2001	2002	2003
0010	Total employment	13,705	14,321	14,426
0020	Wage and salary employment	10,341	10,906	10,899
0040	Proprietors employment	3,364	3,415	3,527
0050	Farm proprietors employment	404	404	398
0060	Nonfarm proprietors employment 2/	2,960	3,011	3,129
0070	Farm employment	658	766	742
0080	Nonfarm employment	13,047	13,555	13,684
0090	Private employment	7,554	7,924	7,960
0100	Forestry, fishing, related activities, and other 3/	330	337	(D)
0200	Mining	42	53	(D)
0300	Utilities	53	53	52
0400	Construction	633	(D)	685
0500	Manufacturing	298	(D)	304
0600	Wholesale trade	221	218	218
0700	Retail trade	1,486	1,494	1,445
0800	Transportation and warehousing	163	225	224
0900	Information	172	163	148
1000	Finance and insurance	218	217	224
1100	Real estate and rental and leasing	501	506	511
1200	Professional and technical services	327	315	361
1300	Management of companies and enterprises	(D)	52	66
1400	Administrative and waste services	(D)	(D)	366
1500	Educational services	67	75	80
1600	Health care and social assistance	1,078	1,161	1,190

<u>1700</u>	■	Arts, entertainment, and recreation	110	114	126
<u>1800</u>	■	Accommodation and food services	804	896	887
<u>1900</u>	■	Other services, except public administration	651	695	712
<u>2000</u>	■	Government and government enterprises	5,493	5,631	5,724
<u>2001</u>	■	Federal, civilian	817	799	933
<u>2002</u>	■	Military	63	62	61
<u>2010</u>	■	State and local	4,613	4,770	4,730
<u>2011</u>	■	State government	2,446	2,530	2,534
<u>2012</u>	■	Local government	2,167	2,240	2,196

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CA25N Total full-time and part-time employment by Industry -- Lassen, CA (number of jobs)

Code	Item	2001	2002	2003
0010	Total employment	13,705	14,321	14,426
0020	Wage and salary employment	10,341	10,906	10,899
0040	Proprietors employment	3,364	3,415	3,527
0050	Farm proprietors employment	404	404	398
0060	Nonfarm proprietors employment 2/	2,960	3,011	3,129
0070	Farm employment	658	766	742
0080	Nonfarm employment	13,047	13,555	13,684
0090	Private employment	7,554	7,924	7,960
0100	Forestry, fishing, related activities, and other 3/	330	337	(D)
0200	Mining	42	53	(D)
0300	Utilities	53	53	52
0400	Construction	633	(D)	685
0500	Manufacturing	298	(D)	304
0600	Wholesale trade	221	218	218
0700	Retail trade	1,486	1,494	1,445
0800	Transportation and warehousing	163	225	224
0900	Information	172	163	148
1000	Finance and insurance	218	217	224
1100	Real estate and rental and leasing	501	506	511
1200	Professional and technical services	327	315	361
1300	Management of companies and enterprises	(D)	52	66
1400	Administrative and waste services	(D)	(D)	366
1500	Educational services	67	75	80
1600	Health care and social assistance	1,078	1,161	1,190

<u>1700</u>	■	Arts, entertainment, and recreation	110	114	126
<u>1800</u>	■	Accommodation and food services	804	896	887
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<u>2001</u>	■	Federal, civilian	817	799	933
<u>2002</u>	■	Military	63	62	61
<u>2010</u>	■	State and local	4,613	4,770	4,730
<u>2011</u>	■	State government	2,446	2,530	2,534
<u>2012</u>	■	Local government	2,167	2,240	2,196

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4. Broomfield County, CO, was created from parts of Adams, Boulder, Jefferson, and Weld counties effective November 15, 2001. Estimates for Broomfield county begin with 2002.

- E The estimate shown here constitutes the major portion of the true estimate.
- (D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.
- (L) Less than 10 jobs, but the estimates for this item are included in the totals.
- (N) Data not available for this year.

Regional Economic Information System
Bureau of Economic Analysis
Table CA25 (NAICS)
April 2005

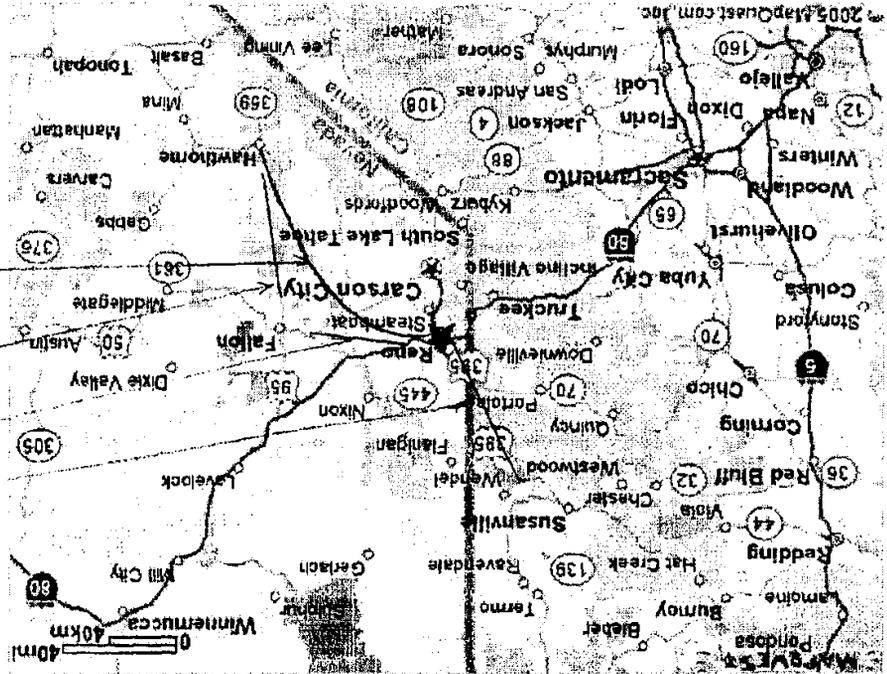
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★ Reno, NV US

MAPQUEST.



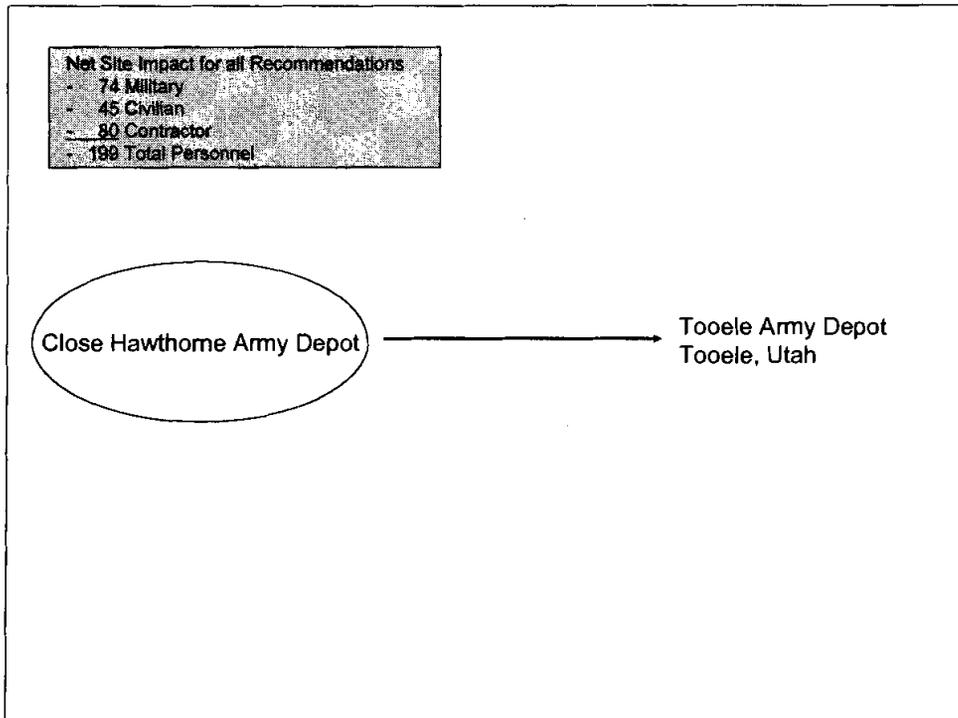
Net Site Impact for all Recommendations

- 74 Military
- 45 Civilian
- 80 Contractor
- 199 Total Personnel

Close Hawthorne Army Depot

Tooele Army Depot
Tooele, Utah





Hawthorne Army Depot, NV

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 Army Depot has infrastructure problems that severely limit the ability to offload.

HAWTHORNE ARMY DEPOT, NV

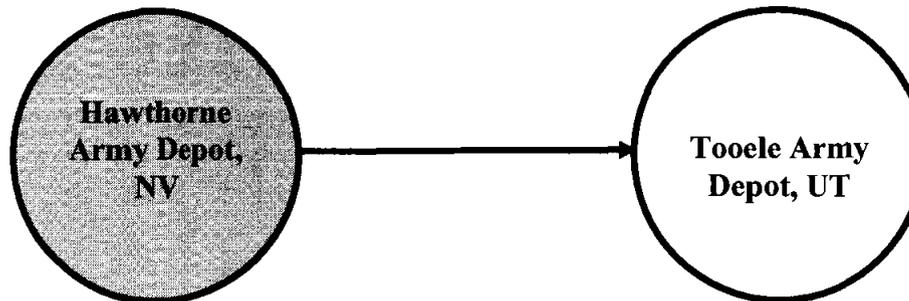
Ind - 12

HAWTHORNE ARMY DEPOT, NV

CLOSE

Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
Mil	Civ	Mil	Civ	Mil	Civ		
(74)	(45)	0	0	(74)	(45)	(80)	(199)

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



1

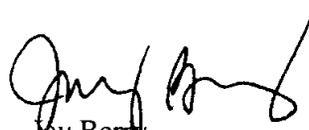
INDUSTRIAL JOINT CROSS SERVICE GROUP

June 16, 2005

MEMORANDUM FOR DUKE TRAN, SENIOR ECONOMIST,
REVIEW & ANALYSIS

SUBJECT: HAWTHORNE ARMY DEPOT ECONOMIC IMPACT REPORT

The following is in response to your e-mail inquiry of June 14, 2005, where you asked for a revised economic impact statement for Hawthorne Army Depot using Mineral County as its economic region of influence instead of Reno-Sparks Metropolitan Statistical Areas. That report is attached.



Jay Berry
Executive Secretary

Attachment:
As Stated

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

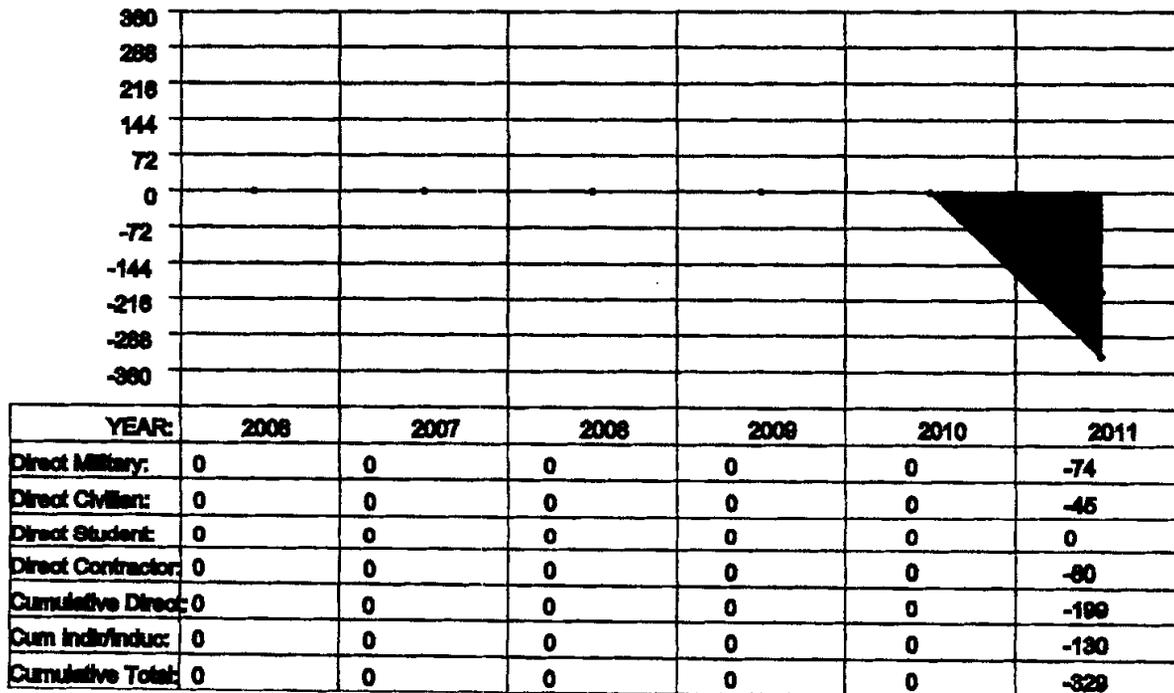
ECONOMIC IMPACT DATA

Scenario: All Selected (see title page)
 Economic Region of Influence(ROI): Mineral County, NV
 Base: All Bases
 Action: All Actions

Overall Economic Impact of Proposed BRAC-05 Action:

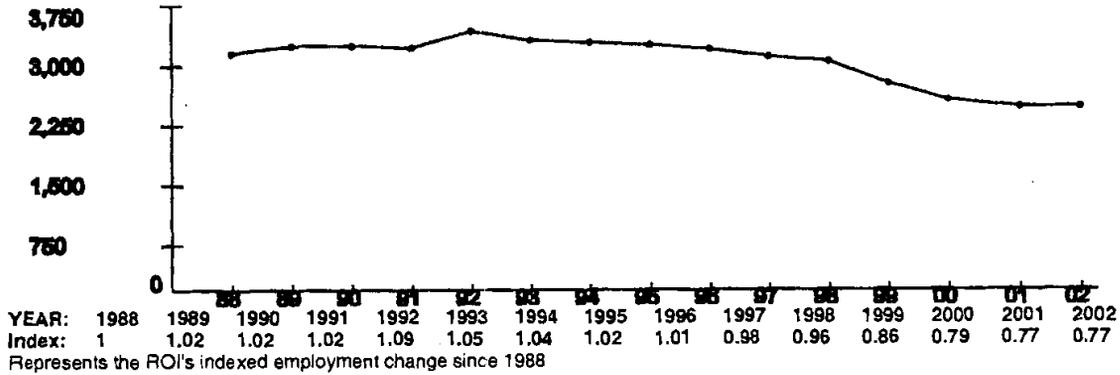
ROI Population (2002):	4,768
ROI Employment (2002):	2,413
Authorized Manpower (2005):	119
Authorized Manpower(2005) / ROI Employment(2002):	4.93%
Total Estimated Job Change:	-329
Total Estimated Job Change / ROI Employment(2002):	-13.63%

Cumulative Job Change (Gain/Loss) Over Time:

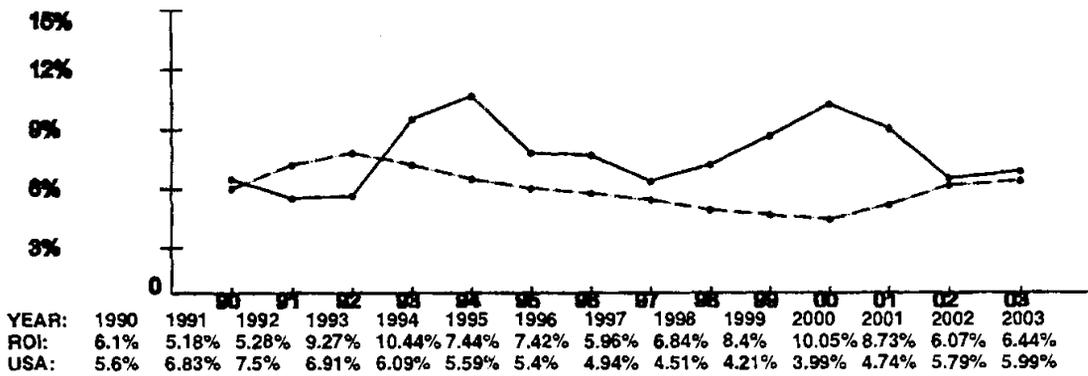


Mineral County, NV Trend Data

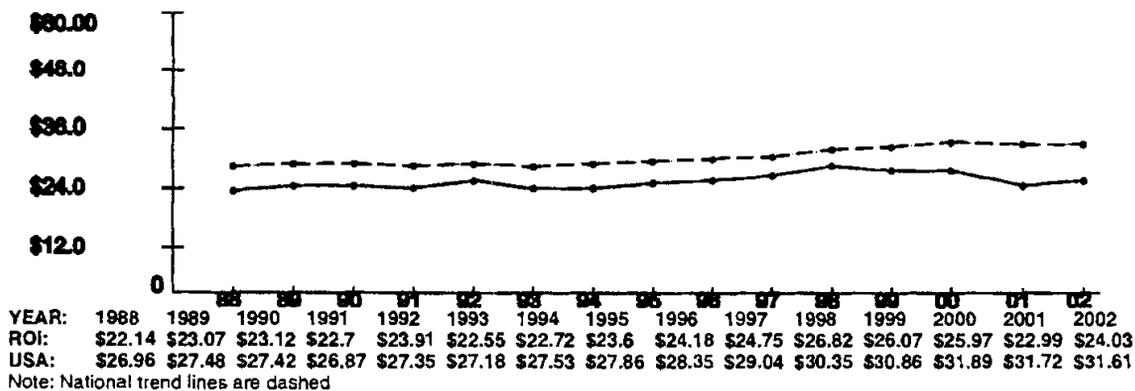
Employment Trend (1988-2002)

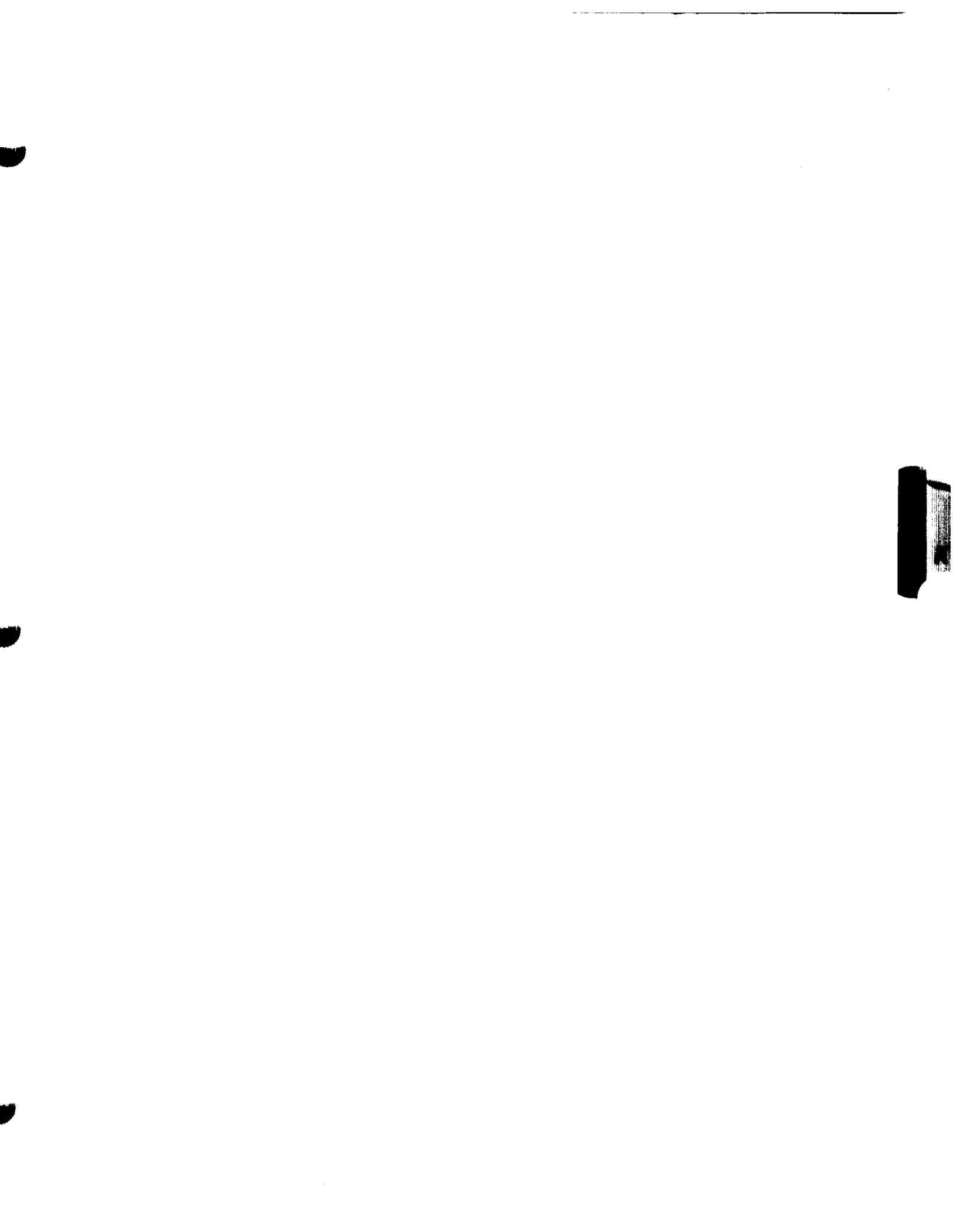


Unemployment Percentage Trend (1990-2003)



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





Economic Impact Report

This report depicts the economic impact of the following Scenarios:

BRAC IND1: Hawthorne Army Depot, LBieri's Inputs

The data in this report is rolled up by Action

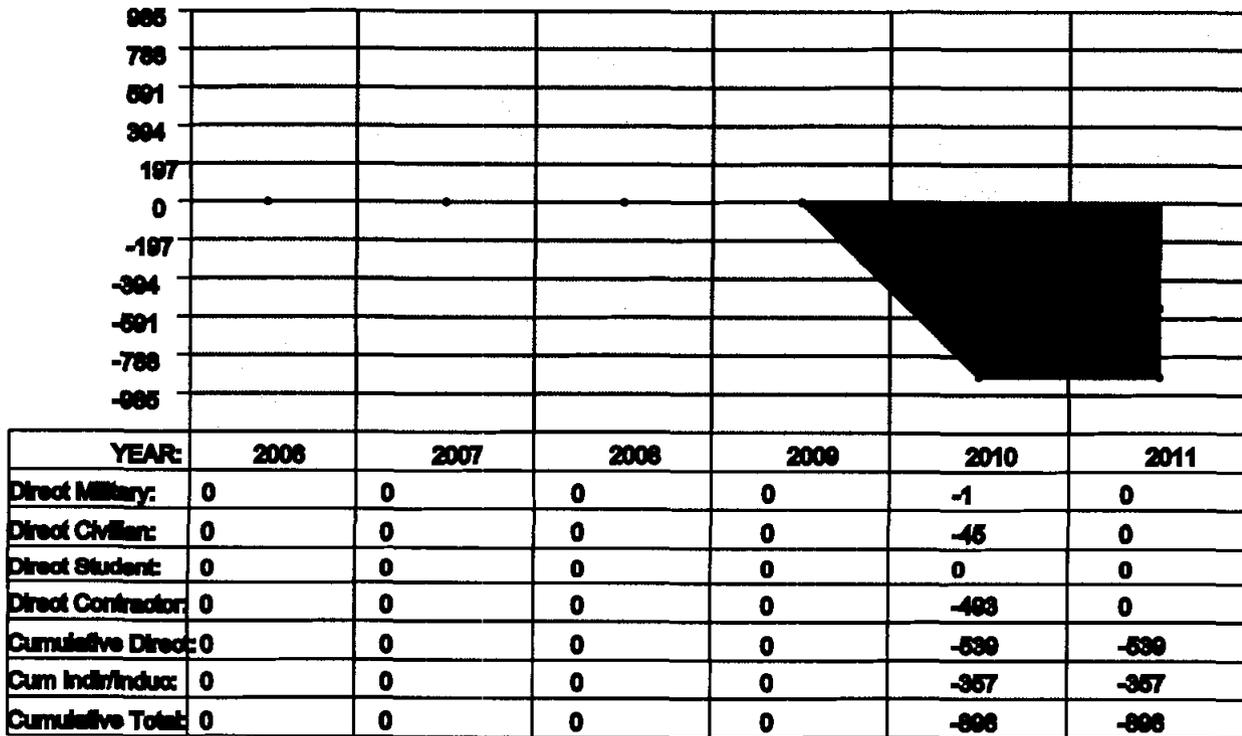
ECONOMIC IMPACT DATA

Scenario: Hawthorne Army Depot, LBieri's Inputs
Economic Region of Influence(ROI): Mineral County, NV
Base: HAWTHORNE DEPOT
Action: BRAC's New Fact Metrix

Overall Economic Impact of Proposed BRAC-05 Action:

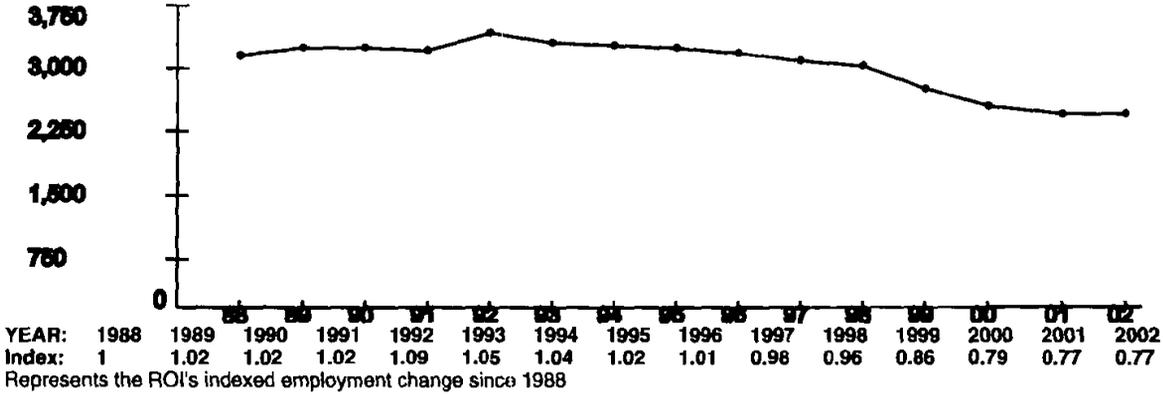
ROI Population (2002):	4,768
ROI Employment (2002):	2,413
Authorized Manpower (2005):	119
Authorized Manpower(2005) / ROI Employment(2002):	4.93%
Total Estimated Job Change:	-896
Total Estimated Job Change / ROI Employment(2002):	-37.13%

Cumulative Job Change (Gain/Loss) Over Time:

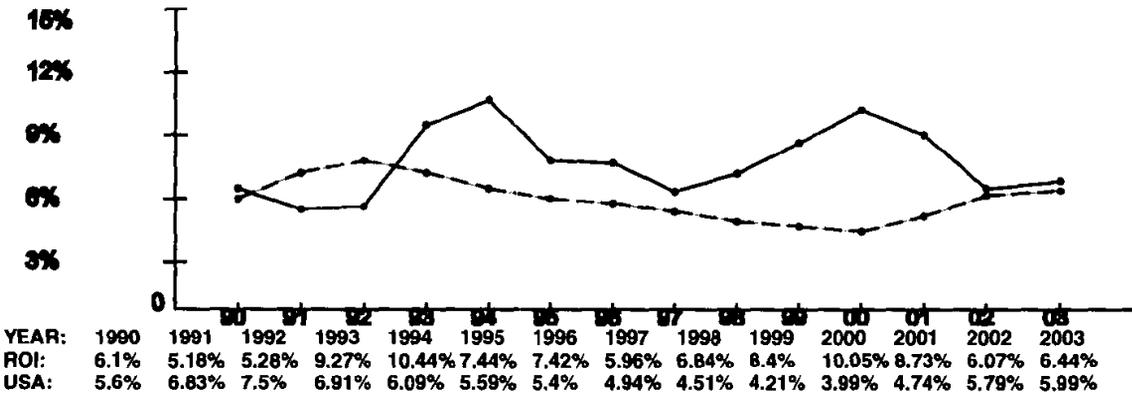


Mineral County, NV Trend Data

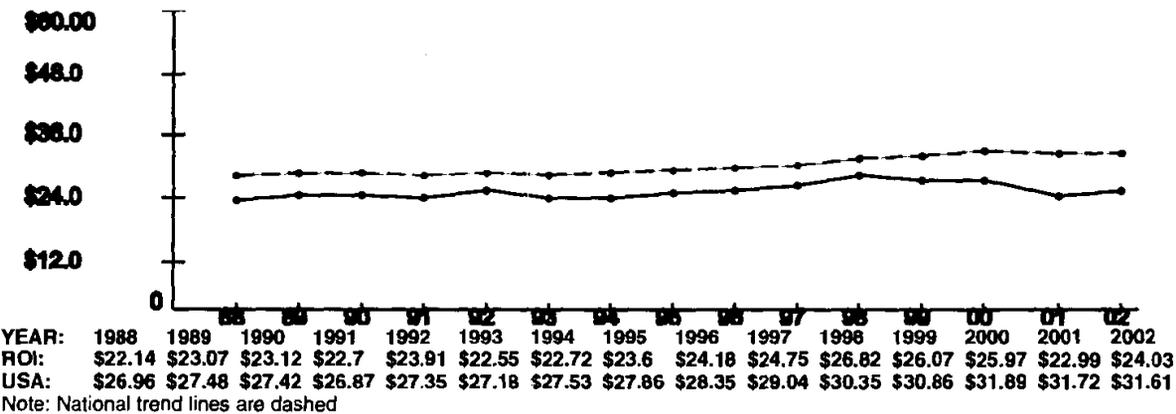
Employment Trend (1988-2002)



Unemployment Percentage Trend (1990-2003)



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





July 2005

MILITARY BASES

Analysis of DOD's 2005 Selection Process and Recommendations for Base Closures and Realignments



G A O

Accountability * Integrity * Reliability

Savings for Chemical Depots after Implementation

The net annual recurring savings may be overstated for the three chemical depots recommended for closure—Newport, Umatilla, and Deseret—and it is unclear whether such facilities are appropriately included in the BRAC process.⁹ The industrial group estimated net annual recurring savings of \$127 million for the three chemical demilitarization facilities, \$20 million of which is from anticipated savings by not recapitalizing these closed BRAC installations. However, the current missions of each of these installations are focused on the destruction of existing chemical weapons stockpiles, and after the stockpiles are destroyed, the destruction facilities themselves are scheduled to be dismantled and disposed of in accordance with applicable laws and agreements with the governors of the states in which they are located. With the exception of the recommended transfer of storage igloos and magazines from Deseret to Tooele Army Depot, Utah, Army officials have not identified any existing plans for future missions at these depots once the chemical destruction mission is complete. Consequently, it is unclear how the closure of the depots will result in recapitalization savings. Additionally, given the general delays in the Army's chemical weapons destruction program¹⁰ it is uncertain that it will be able to complete the chemical weapons destruction mission and close these depots within the 6-year BRAC statutory implementation period.

Hawthorne Army Depot

There is uncertainty surrounding the Army's ability to close the Hawthorne Army Depot, Nevada, by 2011, the final year as prescribed by the BRAC legislation for implementing BRAC actions. The Army may be unable to demilitarize all the unserviceable munitions stored at the depot by 2011, thereby placing the Army at risk for closing the depot by that date. Army officials told us that demilitarization funds have not been fully used for demilitarization purposes in recent years, but for other purposes. As a

⁹Pueblo Chemical Depot was removed from the BRAC closure list two weeks before the recommendations were released. During the BRAC process, we expressed our concerns that Pueblo would not be able to successfully demilitarize its stockpiles within the statutory BRAC timeframe because a plant has yet to be built.

¹⁰GAO, *Chemical Weapons: Destruction Schedule Delays and Cost Growth Continue to Challenge Program Management*, GAO-04-634T (Washington, D.C.: Apr. 1, 2004), GAO, *Nonproliferation: Delays in Implementing the Chemical Weapons Convention Raise Concerns About Proliferation*, GAO-04-361 (Washington, D.C.: Mar. 31, 2004), and GAO, *Chemical Weapons: Sustained Leadership, Along with Key Strategic Management Tools, Is Needed to Guide DOD's Destruction Program*, GAO-03-1031 (Washington, D.C.: Sept. 5, 2003).

result, the stockpile of unserviceable munitions is growing. The funding situation is of such concern that an Army official told us they intend to request the DOD Comptroller issue a memorandum that would administratively “fence” funding in the demilitarization account to better ensure that the funds will be used for reducing the stockpiles of unserviceable munitions. This official also told us that this funding situation could be further exacerbated with the potential for the return to the United States of additional unserviceable munition stockpiles that are currently stored in Korea, even though the group considered these stocks in its analysis. This official stated that if these unserviceable munitions are returned for demilitarization to Hawthorne, there will be added pressure to finish the demilitarization process in time to close the facility by 2011.

Closure of Ammunition Plants

Currently, the Army leases some property at its ammunition plants through the Army's program called the Armament Retooling and Manufacturing Support Initiative. DOD has recommended for closure four ammunition plants that are part of this initiative—Mississippi, Kansas, Lone Star, and Riverbank. We previously reported that, while this initiative has offset some of the Army's maintenance costs, maintaining ammunition plants in an inactive status still represents a significant cost to the federal government.¹¹ Through this initiative, the Army contracts with an operating contractor that conducts maintenance, repair, restoration, and remediation in return for use of the inactive part of the facility. The operating contractor, in turn, locates and negotiates with tenants regarding lease rates, facility improvements, and contract terms. However, the effect on these tenants of closing the four ammunition plants involved with the initiative is currently unknown. Army officials responsible for the initiative told us that past transfers of such property outside of the BRAC process have been handled poorly in that the General Services Administration or Army Corps of Engineers, the agencies responsible for transferring excess property, evicted the tenants and then sold the property separately, as was the case in past closures such as the Indiana Army Ammunition Plant. Army officials said that property transfers conducted in this manner could be costly because the government must incur some costs that were paid by the tenants, such as for security and maintenance. For example, an Army analysis showed that retaining the ARMS tenants on Indiana Army Ammunition plant rather than evicting them would have saved about

¹¹GAO, *Military Bases: Cost to Maintain Inactive Ammunition Plants and Closed Bases Could be Reduced*, GAO/NSIAD-97-56 (Washington, D.C.: Feb. 20, 1997).

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Supplemental GAO Report

ANALYSIS OF DOD'S 2005 SELECTION PROCESS AND RECOMMENDATIONS FOR BASE CLOSURES AND REALIGNMENTS

RPT-NUMBER: GAO-05-785

July 1, 2005

Military Bases: Analysis of DOD's 2005 Selection Process and Recommendations for Base Closures and **Realignments** July 1, 2005 Statement of Barry W. Holman, Director Defense Capabilities and Management

Congressional Committees

It has been 10 years since the Department of Defense (DOD) last conducted a base **realignment** and closure (BRAC) round.¹ As a result of prior BRAC rounds in 1988, 1991, 1993, and 1995, DOD reports that it has reduced its domestic infrastructure by about 20 percent in terms of plant replacement value,² transferred hundreds of thousand of acres of unneeded property to other federal and nonfederal entities, and saved billions of dollars on an annual recurring basis for application to higher priority defense needs. Despite these infrastructure reductions, DOD recognized the need for additional closures and **realignments** following the 1995 closure round and made repeated efforts to gain congressional authorization for an additional closure round.

We too have frequently reported in recent years on the long-term challenges DOD faces in managing its portfolio of facilities, halting degradation of facilities, and reducing unneeded infrastructure to free up funds to better maintain enduring facilities and meet other needs. Because of these long-standing issues, DOD's management of its support infrastructure has been included in our list of high-risk areas since 1997. Congress authorized an additional BRAC round for 2005 with the passage of the National Defense Authorization Act for Fiscal Year 2002 (the Act).³

The 2002 Act essentially extended the authority of the Defense Base Closure and **Realignment** Act of 1990,⁴ which had authorized the 1991, 1993, and 1995 rounds, with some modifications for the 2005 base closure round. The BRAC legislation provides for an independent Defense Base Closure and **Realignment** Commission to review the Secretary of Defense's **realignment** and closure recommendations, which were publicly announced on May 13, 2005, and present its findings and conclusions on the Secretary's recommendations, along with its own recommendations to the President, by September 8, 2005. The President, in turn, must either approve or disapprove the Commission's recommendations in their entirety by September 23, 2005. If approved, the recommendations are forwarded to Congress, which has 45 days or until the adjournment of Congress to disapprove the recommendations on an all-or-none basis; otherwise, they become binding.⁵ If the President disapproves the recommendations, the Commission must consider the President's objections and send a revised report back to the President no later than October 20, 2005. The President then has until November 7, 2005, to forward his approval of the revised Commission recommendations to Congress for its review.

Considering changes in the national security environment and emerging threats, along with ongoing changes in the United States defense strategy to address these threats and protect our homeland, DOD has come to realize the need to reshape its base structure to more effectively support its military forces. In establishing goals for the 2005 BRAC round, the Secretary of Defense, in a November 15, 2002,

HAWTHORNE ARMY DEPOT NEVADA

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memorandum initiating the round, expressed his interest in (1) reducing excess infrastructure, which diverts scarce resources from overall defense capability, and producing savings; (2) transforming DOD by aligning the infrastructure with the defense strategy; and (3) fostering jointness by examining and implementing opportunities for greater jointness across DOD.

In the submission of his recommendations to the BRAC Commission on May 13, 2005, the Secretary reported that his recommendations, if approved, would accomplish these goals. DOD reported that its 222 recommendations, involving an unprecedented 837 closure and **realignment** actions--including 33 major base closures and 30 major **realignments**, plus numerous other closures and **realignments** would generate annual recurring savings of about \$5.5 billion beginning in fiscal year 2012.

Legislation authorizing the 2005 round maintained the requirement, applicable to three previous rounds, that we provide a detailed analysis of the Secretary`s recommendations and the selection process. Our objectives were to (1) determine the extent to which DOD achieved its stated goals for BRAC 2005, (2) analyze whether DOD`s selection process in developing recommended actions was logical and reasoned, and (3) identify issues regarding the recommendations that may warrant attention by the BRAC Commission.

To analyze the selection process and the recommendations, we monitored various aspects of the process as it evolved over time leading up to and following the public release of the Secretary`s recommendations. We sought to assure ourselves that DOD followed a logical, reasoned, and well-documented decision-making process leading to the proposed recommendations. Prior to the release of the recommendations, we abided by an agreement with DOD not to disclose details of the process due to the sensitivity of the information while the process evolved. With the approval of the large number of recommendations occurring in the final weeks of the process, the broad scope and complexity of the recommendations, and the limited time available for us to report our results, we generally focused greater attention following the announcement of the proposed closures and **realignments** on those issues affecting more than one recommendation than on issues pertaining to the implementation of individual recommendations. However, as time permitted, we visited selected installations to better gauge the operational and economic impact of the proposed recommendations. We generally experienced good access to relevant documentation and to key senior officials and staff involved in the BRAC process.

We performed our work primarily at the Office of the Secretary of Defense (OSD), the military services` base closure offices, and the offices of the seven joint cross-service groups that were established by the Secretary to propose cross-service recommendations.⁶ While we did not attend deliberative meetings, we had access to minutes of meetings and relevant documentation, as well as opportunities to meet periodically with senior leadership to provide observations or concerns we had as the process was unfolding. We relied on DOD`s Office of the Inspector General, Army Audit Agency, Naval Audit Service, and Air Force Audit Agency to validate the accuracy of the data used by the military services and joint cross-service groups in their decision-making process. We met with staff members of these audit agencies periodically to discuss the results of their work as well as to observe their data validation efforts at selected locations. Based on these discussions and observations

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and a review of their reports, we believe the DOD data are sufficiently reliable for the purposes of this report. We conducted our work from October 2003, as DOD's process was beginning, through June 2005, shortly after the Secretary of Defense announced his proposed closures and **realignments**, in accordance with generally accepted government auditing standards. Further details on the scope and methodology are described in appendix I.

Results in Brief

DOD's recommendations, if approved, would have varying degrees of success in achieving goals that were set forth by the Secretary of Defense, despite producing closure and **realignment** actions numbering more than those of all four previous rounds combined. The department's recommendations were dominated by relatively minor closures and **realignments**, and many were related to the reserve components.⁷ DOD data indicate that implementing the proposed recommendations would reduce the defense infrastructure by about 5 percent based on the facilities' plant replacement value. We believe the recommendations overall, if approved, would produce savings. However, overall up-front investment costs of an estimated \$24 billion are required, and there are limitations associated with DOD's projection of nearly \$50 billion in net present value savings over a 20-year period.⁸ Most projected savings are derived from 10 percent of the 222 recommendations. Also, much of the projected net annual recurring savings (47 percent) are associated with eliminating jobs currently held by military personnel. However, rather than reducing endstrength levels, DOD indicates the positions are expected to be reassigned to other areas, which may enhance capabilities but also limit dollar savings available for other uses. Without recognition that these are not dollar savings that can be readily applied elsewhere, this could create a false sense of savings available for other purposes. Furthermore, about \$500 million of the net annual recurring savings is based on business process reengineering efforts, but some of the assumptions supporting the expected efficiency gains have not been validated; while savings are likely to be realized, the precise magnitude of savings is uncertain. For example, one of DOD's recommendations--to create fleet readiness centers in the Navy by integrating different levels of maintenance to reduce repair time-- is estimated to yield \$215 million in annual recurring savings as a result of overhead efficiencies, but such assumptions have not been validated and actual savings will be shaped by how the recommendations are implemented. We have previously reported on limitations in DOD's efforts to track and update savings from prior BRAC rounds. Our concerns over this issue are heightened in this BRAC round, with the emphasis on business process reengineering efforts, because of past tendencies to reduce related operating budgets in advance of actual savings being known and fully realized. While DOD characterized many of its recommendations as transformational--whereby infrastructure would be aligned with the defense strategy--we found that the concept of transformation is not well defined, and many of the recommendations referencing it as support for the proposed BRAC actions are more appropriately categorized as efforts to improve business processes. Some proposed actions increase emphasis on jointness, such as establishing a single site for initial training for the Joint Strike Fighter aircraft. However, the extent of joint and transformational progress varied, as shown by other DOD-proposed actions reflecting preferences to consolidate functions within rather than across services, and by a lack of agreement on transformational options despite frequent references to them in support of proposed actions. We are making a recommendation to the Secretary of Defense to establish

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mechanisms for tracking and periodically updating savings estimates as the BRAC recommendations are implemented.

DOD's decision-making process for developing its recommendations was generally logical, well documented, and reasoned. DOD established a structured and largely sequential process for obtaining and analyzing data that provided an informed basis for identifying and evaluating BRAC options. At the same time, initial difficulties in obtaining complete and accurate data in a timely manner often added to overlap and varying degrees of concurrency between data collection efforts and other steps in the process. That notwithstanding, DOD's process relied on certified data,⁹ as required by the BRAC legislation, and the use of various analytical models to evaluate the data. Further, as the military services and joint cross-service groups assessed the importance of installations, facilities, and functions, they were consistent in following the key considerations set forth in the BRAC law--such as military value--although they varied somewhat in their analytical approaches based on unique aspects of the functions being evaluated. As Congress mandated, DOD updated and considered its 20-year force structure plan in completing its BRAC analysis.¹⁰ Further, DOD focused on the military value selection criteria as the predominant decision-making factor, including legislatively mandated emphasis for this BRAC round on such elements as homeland defense and surge capability. Military judgment also played a role throughout the process. While the effort to ensure the accuracy of the voluminous amounts of data used in the process proved challenging for the services and joint cross-service groups, the DOD Inspector General and the military service audit agencies played key roles in pointing out data limitations, fostering corrections, and improving the accuracy of the data used in the process through their validation efforts, and generally found the data sufficiently reliable to support BRAC decision making.

We identified various issues regarding DOD's BRAC recommendations, as well as candidate recommendations¹¹ that were not included on DOD's final list that may warrant further attention by the BRAC Commission. These issues include instances of lengthy payback periods, which is the time required to recoup up-front investment costs for closing or realigning a facility or function; inconsistencies in formulating cost and savings estimates; uncertainties in estimating total costs to the government for implementing recommended actions; and potential impacts on communities surrounding bases that are either losing or gaining large numbers of personnel. With respect to the latter issue, this BRAC round differs from prior rounds in that many communities will be facing increased growth with the return of thousands of forces from overseas locations and the consequent challenges of addressing increased needs in areas such as schools and housing. In a few instances, we identified implementation or operational issues related to some recommendations.

We are also highlighting specific closure or **realignment** actions that were projected as having the potential to generate significant savings that the services or joint cross-service groups approved for further consideration, but which were either deleted or substantially revised by senior DOD leadership during the latter phases of the selection process.

In providing oral comments on a draft of this report, DOD concurred with the recommendation regarding the need for a system to track and periodically update BRAC savings estimates.

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Background

As described at the beginning of this report, DOD recognized the need for additional base closures and **realignments** following the 1995 closure round and made repeated efforts to gain congressional authorization for an additional closure round. Congress authorized an additional round for 2005 with the passage of the National Defense Authorization Act for Fiscal Year 2002.¹² The 2002 Act essentially extended the authority of the Defense Base Closure and **Realignment** Act of 1990,¹³ which had authorized the 1991, 1993, and 1995 rounds, with some modifications for the 2005 base closure round.

In a memorandum dated November 15, 2002, the Secretary of Defense issued initial guidance outlining goals and a leadership framework for the 2005 BRAC round. In doing so, he noted that ``At a minimum, BRAC 2005 must eliminate excess physical capacity; the operation, sustainment and recapitalization of which diverts scarce resources from defense capability.``

However, specific reduction goals were not established.¹⁴ At the same time, the Secretary's guidance for the 2005 round depicted the round as focusing on more than the reduction of excess capacity. He said that ``BRAC 2005 can make an even more profound contribution to transforming the Department by rationalizing our infrastructure with defense strategy.`` He further noted that ``A primary objective of BRAC 2005, in addition to realigning our base structure to meet our post-Cold War force structure, is to examine and implement opportunities for greater joint activity.`` Toward that end, the Secretary indicated that organizationally the 2005 BRAC analysis would be two pronged. Joint cross-service teams would analyze common business-oriented functions, and the military departments would analyze service-unique functions.

The Secretary of Defense established two senior groups to oversee and guide the BRAC 2005 process from a departmental perspective. The first was the Infrastructure Executive Council (IEC), which was designated the policy-making and oversight body for the entire process, and the second, a subordinate group, was the Infrastructure Steering Group (ISG), created to oversee the joint cross-service analyses and integrate that process with the military departments' own service-unique analyses. Each of the military departments also established BRAC organizations, which had oversight from senior leaders. Likewise, each of the joint cross-service teams, under the purview of the ISG, was led by senior military or civilian officials, with representation from each of the services and relevant defense agencies. DOD's BRAC leadership structure is shown in figure 1.

DOD developed a draft set of 77 transformational options that once approved, were expected to constitute a minimum analytical framework upon which the military departments and joint cross-service groups would conduct their respective BRAC analyses. Because of a lack of agreement among the services and OSD, the draft options were never formally approved, but they remained available for consideration by analytical teams and were referenced by some groups in support of various BRAC actions being considered.¹⁵ (See app. XV for a list of the draft transformational options.) To some extent, the analyses and recommendations of each of the services and joint cross-service groups were also influenced by various guiding principles or

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policy imperatives developed by the respective service or joint cross-service groups, such as the need to preserve a particular capability in a particular location.

The legislation authorizing the 2005 BRAC round, enacted as part of the fiscal year 2002 Defense Authorization Act, required DOD to give priority to selection criteria dealing with military value and added elements of specificity to criteria previously used by DOD in prior BRAC rounds.

Subsequently, The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005¹⁶ codified the entire selection criteria and added the word "surge" to one previously used criterion related to potential future contingencies and mobilization efforts. In large measure, the final criteria closely followed the criteria DOD employed in prior rounds, with greater specificity added in some areas, as required by Congress. Figure 2 shows DOD's selection criteria for 2005, with changes from BRAC 1995 denoted in bold.¹⁷

To ensure that the selection criteria were consistently applied, OSD established a common analytical framework to be used by each military service and joint cross-service group. Each service and group adapted this framework, in varying degrees, to its individual activities and functions in evaluating facilities and functions and identifying closure and **realignment** options. Despite the diversity of bases and cross-service functions analyzed, each of the groups was expected to first analyze capacity and military value of its respective facilities or functions, and then to identify and evaluate various closure and **realignment** scenarios and provide specific recommendations. Scenarios were derived from data analysis and transformational options, as well as from goals and objectives each group established for itself as it began its work. Figure 3 depicts the expected progression of that process.

-- Military value criteria.

1. The current and future mission capabilities and the impact on operational readiness of the total force of the Department of Defense, including the impact on joint warfighting, training, and readiness.
2. The availability and condition of land, facilities, and associated airspace (including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training.
4. The cost of operations and the manpower implications.

-- Other criteria.

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or **realignment**, for the

HAWTHORNE ARMY DEPOT NEVADA

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savings to exceed the costs.

6. The economic impact on existing communities in the vicinity of military installations.

7. The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.

8. The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

An initial part of the process involved an overall capacity analysis of specific locations or functions and subfunctions at specific locations. The analysis relied on data calls to obtain certified data to assess such factors as maximum potential capacity, current capacity, current usage, excess capacity, and capacity needed to meet surge requirements.

The military value analysis consisted of assessments of operational and physical characteristics of each installation, or specific functions on an installation related to a specific joint cross-service group's area of responsibility. These would include an installation's or function's current and future mission capabilities, physical condition, ability to accommodate future needs, and cost of operations. This analysis also relied on data calls to obtain certified data on the various attributes and metrics used to assess each of the four military value criteria and permit meaningful comparisons between like installations/facilities with reference to the collective military value selection criteria. DOD officials used these data to develop comparative military value scores for each installation/facility or for categories of facilities serving like functions.

The scenario development and analysis phase focused on identifying various **realignment** and closure scenarios for further analysis. These scenarios were to be derived from consideration of the department's 20-year force structure plan, capacity analysis, military value analysis, and transformational options; applicable guiding principles, objectives, or policy imperatives identified by individual military services or joint crossservice groups; and military judgment. Each component had available for its use an optimization or linear programming model that could combine the results of capacity and military value analyses and other information to derive scenarios and sets of alternatives. The model could be used to address varying policy imperatives or objectives, such as minimizing the number of sites, minimizing the amount of excess capacity, or maximizing the average military value. A BRAC review group could also direct variations that would, for example, eliminate as much excess capacity as possible while maintaining an average military value at least as high as the original set of sites.

OSD policy guidance has historically specified that priority consideration be given to military value in making closure and **realignment** decisions, but that priority was specifically mandated by the legislation authorizing the 2005 BRAC round. At the same time, historic practice and the 2005 authorizing legislation both required consideration of additional issues included in selection criteria 5 through 8, detailed below:

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-- Criterion 5--costs and savings: This criterion consists of measures of costs and savings and the payback periods¹⁸ associated with them. Each component assessed costs using the Cost of Base **Realignment** Actions (COBRA) model that was used in each of the BRAC rounds since 1988. Appendix XIII summarizes improvements that have been made to the model over time and more recently for the 2005 round.

-- Criterion 6--economic impact: This criterion measures the direct and indirect impacts of a BRAC action on employment in the communities affected by a closure or **realignment**. Appendix XIV provides a more complete description of how economic impact was assessed and the changes made to improve the assessment for this round.

-- Criterion 7--community infrastructure: Selection criterion 7 examines `` the ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.`` The services and joint cross-service groups considered information on demographics, childcare, cost of living, employment, education, housing, medical care, safety and crime, transportation, and public utilities of the communities impacted by a BRAC action.

-- Criterion 8--environmental impact: Selection criterion 8 assesses `` the environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities`` of closure and **realignment** recommendations. In considering this criterion, the services and joint cross-service groups focused mainly on potential environmental impacts while acknowledging, when appropriate, known environmental restoration costs associated with an installation recommended for closure or **realignment**. Waste management and environmental compliance costs were factored into criterion 5. However, under OSD policy guidance, environmental restoration costs were not considered in the cost and savings analyses for evaluating individual scenarios under criterion 5. DOD is obligated to restore contaminated sites on military bases regardless of whether they are closed, and such costs could be affected by reuse plans that cannot be known at this time but would be budgeted for at a later time when those plans and costs are better identified.

Each of the military departments produced reports with closure and **realignment** recommendations, as did each of the joint cross- service groups, the results of which are summarized in appendixes III through XII. Figures 4 and 5 show, respectively, the 33 major closures and 30 major **realignments** that have been recommended by DOD where plant replacement values exceed \$100 million for major base closures and net losses of 400 or more military and civilian personnel for major base **realignments**.

While the 2005 BRAC round, like earlier BRAC rounds, was chartered to focus on United States domestic bases,¹⁹ DOD separately had under way a review of overseas basing requirements that had implications for the domestic BRAC process. In a September 2004 report to Congress, the Under Secretary of Defense for Policy provided an update on DOD`s `` global defense posture review.`` It noted that once completed, the changes stemming from the review would result in the most profound reordering of United States military forces overseas as the current posture has been largely unchanged since the Korean War. The report noted that over the next 10

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years, it is planned that up to 70,000 military personnel would return to the United States, along with approximately 100,000 family members and civilian employees. It further noted that a net reduction of approximately 35 percent of overseas sites--bases, installations, and facilities--is planned. DOD had indicated that the domestic BRAC process would be used in making decisions on where to relocate forces returning to the United States from overseas bases.

Separately, Congress in 2003 mandated the creation of a special commission to evaluate, among other things, the current and proposed overseas basing structure of the United States military forces.²⁰ The Commission's observations are included in its May 2005 report.²¹ Among other things, the Commission cited the need for appropriate planning to ensure the availability of community infrastructure to support returning troops and to mitigate the impact on communities.

DOD's Recommendations Would Have Varying Degrees of Success in Achieving Goals for the 2005 BRAC Round

The recommendations proposed by the Secretary of Defense would have varying degrees of success in achieving DOD's BRAC 2005 goals of reducing infrastructure and achieving savings, furthering transformation objectives, and fostering joint activity among the military services. While DOD proposed a record number of closure and **realignment** actions, exceeding those in all prior BRAC rounds combined, many proposals focus on the reserve component bases and relatively few on closing active bases.

Projected savings are almost equally as large, as all prior BRAC rounds combined, but about 80 percent of the projected 20-year net present value savings (savings minus up-front investment costs) are derived from only 10 percent of the recommendations. While we believe the recommendations overall would achieve savings, up-front investment costs of about \$24 billion are required to implement all recommendations to achieve DOD's overall expected savings of nearly \$50 billion over 20 years. Much of these saving are related to eliminations of jobs currently held by military personnel but are not likely to result in end-strength reductions, limiting savings available for other purposes. Some proposed actions represent some progress in emphasizing transformation and jointness, but progress in these efforts varied without clear agreement on transformational options to be considered, and many recommendations tended to foster jointness by consolidating functions within rather than across military services.

BRAC 2005 Round Differs from Past Rounds

The BRAC 2005 round is different from previous base closure rounds in terms of number of actions, projected implementation costs, and estimated annual recurring savings. While the number of major closures and **realignments** is just a little greater than individual previous rounds, the number of minor closure and **realignments**, as shown in table 1, is significantly greater than those in all previous rounds combined.

The large increase in minor closures and **realignments** is attributable partly to actions involving the Army National Guard, Army Reserve, Air National Guard, and vacating leased space.

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The costs to implement the proposed actions are \$24.4 billion compared to a \$22 billion total from the four previous rounds through 2001, the end of the 6-year implementation period for the 1995 BRAC round.²² The increase in costs is due partly to significant military construction and moving costs associated with Army recommendations to realign its force structure, and to recommendations to move activities from leased space onto military installations. For example, the Army projects that it will need about \$2.3 billion in military construction funds to build facilities for the troops returning from overseas. Likewise, DOD projects that it will need an additional \$1.3 billion to build facilities for recommendations that include activities being moved from leased space. Time will be required for these costs to be offset by savings from BRAC actions and this in turn affects the point at which net annual recurring savings can begin to accrue.

Finally, the projected net annual recurring savings are \$5.5 billion compared to net annual recurring savings of \$2.6 billion and \$1.7 billion for the 1993 and 1995 rounds respectively. The increased savings are partly attributable to significant reductions in the number of military positions and business process reengineering efforts.

Infrastructure Would Likely Be Reduced with Some Limitations Noted

DOD projects that the proposed recommendations would reduce excess infrastructure capacity, indicating that the plant replacement value of domestic installations would be reduced by about \$27 billion, or 5 percent. However, the projected reductions in plant replacement value did not account for the \$2.2 billion in domestic military construction projects associated with relocating forces from overseas. On the other hand, reductions in leased space are not considered in the plant replacement value analysis, since leased space is not government owned. DOD estimates that its recommendations will reduce about 12 million square feet of leased space.

DOD Projects Recommendations Would Produce Savings, but there are Limitations Associated with the Savings Estimates

DOD projects that its proposed recommendations will produce nearly \$50 billion in 20-year net present value savings, with net annual recurring savings of about \$5.5 billion. There are limitations associated with the savings claimed from military personnel reductions and we believe there is uncertainty regarding the magnitude of savings likely to be realized in other areas given unvalidated assumptions regarding expected efficiency gains from business process reengineering efforts and projected savings from sustainment, recapitalization, and base operating support.²³

Table 2 summarizes the projected one-time cost, the cost or savings anticipated during the 6-year implementation period for the closure or **realignment**, the estimated net annual recurring savings, and the projected 20-year net present value costs or savings of DOD's recommendations. ²⁴

Table 2 also shows the Navy, Air Force, and joint cross-service groups all projecting net savings within the 6-year implementation period, as well as significant 20-year net savings. In contrast, because of the nature of the Army's proposed actions and

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costs, such as providing infrastructure for troops returning from overseas and the consolidation and recapitalization of reserve facilities, the Army does not achieve net savings either during the implementation period or within 20 years, based on recommendations included in its BRAC report.

Notwithstanding these projected savings, we identified limitations or uncertainties about the magnitude of savings likely to be realized. As figure 6 shows, 47 percent of the net annual recurring savings can be attributed to projected military personnel reductions. About 40 percent (\$2.1 billion) of the projected net annual recurring savings can be attributed to savings from operation and maintenance activities, which include terminating or reducing property sustainment and recapitalization, base operating support, and civilian payroll. Furthermore, about \$500 million of the ``other`` savings is based on business process reengineering efforts, but some of the assumptions supporting the expected efficiency gains have not been validated.

Military Personnel Savings

Much of the projected net annual recurring savings (47 percent) are associated with eliminating positions currently held by military personnel; but rather than reducing end-strength levels, DOD indicates the positions are expected to be reassigned to other areas, limiting dollar savings available for other uses. For example, although the Air Force projects net annual recurring savings of about \$732 million from eliminating about 10,200 military positions, Air Force officials stated the active duty positions will be reinvested to relieve stress on high demand career fields and the reserve positions to new missions yet to be identified. Likewise, the Army is projecting savings from eliminating about 5,800 military positions, but it has no plans to reduce its end-strength. Finally, the Navy is projecting it will eliminate about 4,000 active duty military positions, which a Navy official noted will help it achieve the end-strength reductions already planned. As we noted during our review of DOD`s process during the 1995 BRAC round, since these personnel will be assigned elsewhere rather than taken out of the force structure, they do not represent dollar savings that can be readily reallocated outside the personnel accounts.²⁵ Without recognition that these are not dollar savings that can be readily applied elsewhere, this could create a false sense of savings available for use in other areas traditionally cited as a beneficiary of BRAC savings, such as making more funds available for modernization and better maintenance of remaining facilities.

Sustainment, Recapitalization, and Base Operating Support Savings

DOD is also projecting savings from the sustainment and recapitalization of facilities that are scheduled to be demolished, as well as from facilities that might remain in DOD`s real property inventory when activities are realigned from one base to another. For example, the Industrial Joint Cross-Service Group is claiming about \$20 million in annual recurring savings from the recapitalization of facilities at installations responsible for destroying chemical weapons at three locations recommended for closure.²⁶ However, the Army had already expected to demolish these chemical destruction facilities upon completing the destruction of the chemical weapons at each site and the Army has not identified future missions for these installations. As a result, we do not believe it is appropriate for the Industrial Joint Cross-Service Group to claim any recapitalization savings related to these installations.

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Likewise, DOD is projecting savings from the recapitalization and sustainment of facilities in cases where functions or activities would be realigned from one base to another. However, it is not clear to what extent the proposed **realignments** would result in an entire building or portion of a building being vacated, or if entire buildings are vacated, whether they would be declared excess and removed from the military services' real property inventory. Our analysis shows that the supply and storage group's recommendations project about \$100 million in sustainment and recapitalization savings from realigning defense distribution depots. The group estimates its recommendations will vacate about 27 million square feet of storage space. Supply and storage officials told us their goal is to vacate as much space as possible by re-warehousing inventory and by reducing personnel spaces, but they do not have a specific plan for what will happen to the space once it is vacated. In addition, until these recommendations are ultimately approved and implemented, DOD will not be in a good position to know exactly how much space is available or how this space will be disposed of or utilized. As a result, it is unclear as to how much of the estimated \$100 million in annual recurring savings will actually occur.

Collectively, the issues we identified suggest the potential for reduced savings that are likely to be realized in the short term during the implementation period, which could further reduce net annual recurring savings realized in the long term. The short-term impact is that these reduced savings could adversely affect DOD's plans for using these BRAC savings to help offset the up-front investment costs required to implement the recommendations and could further limit the amount of savings available for transformation and modernization purposes.

Savings Based on Business Process Reengineering

DOD projected net annual recurring savings in the "other" category as shown in figure 6 include about \$500 million that is based on business process reengineering efforts. Our analysis indicates that four recommendations--one from the Industrial Joint Cross-Service Group and three from the Supply and Storage Joint Cross-Service Group--involve primarily business process reengineering efforts. However, the expected efficiency gains from these recommendations are based on assumptions that are subject to some uncertainty and have not been validated. For example, our analysis indicates that \$215 million, or 63 percent, of the estimated annual recurring savings from the Industrial Joint Cross-Service Group recommendation to create fleet readiness centers within the Navy is based on business reengineering efforts that would result in overhead efficiencies. Although the data suggest there is the potential for savings, we believe the magnitude of the savings is somewhat uncertain because the estimates are based on assumptions that have undergone only limited testing. Realizing the full extent of the savings would depend on actual implementation of the recommended actions and modifications to the Navy's supply system. The industrial group and the Navy assumed that combining depot and intermediate maintenance levels would reduce the time needed for an item to be repaired at the intermediate level, which in turn would reduce the number of items needing to be kept in inventory, as well as the number of items being sent to a depot for repair. These assumptions, which were the major determinant of the **realignment** savings, were reportedly based on historical data and pilot projects and have not been independently reviewed or verified by the Naval Audit Service, the DOD Inspector General, or us.

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Furthermore, our analysis indicates that \$291 million, or about 72 percent, of the net annual recurring savings expected from the Supply and Storage Joint Cross-Service Group's three recommendations are also based on business process reengineering. In the COBRA model, the savings are categorized as procurement savings and are based on the expanded use of performance-based logistics²⁷ and reductions to duplicate inventory. Supply and storage group staff said that these savings accrue from reduced contract prices because the Defense Logistics Agency (DLA) will have increased buying power since it is responsible for purchasing many more items that before were purchased by each of the services. In addition, savings accrue from increased use of performance-based agreements,²⁸ a key component of performance-based logistics. The group estimates DLA can save 2.8 cents on each contract dollar placed on performance-based agreements. In addition, savings result from reductions in the amount of stock that must be held in inventory. Supply and storage staff said that these savings are attributable to reductions in the cost of money, cost of stock losses due to obsolescence, and cost of storage. Together the group estimates these factors save about 17 percent of the estimated value of the acquisition cost of the stock that is no longer required to be held in inventory. These savings estimates, for the most part, are based on historical documentation provided by DLA, which time did not allow us to validate. The extent to which these same savings will be achieved in the future is uncertain. As noted above, how these actions are implemented could also affect savings. We are concerned that this is another area that could lead to a false sense of savings and lead to premature reductions in affected budgets in advance of actual savings being fully realized, as has sometimes occurred in past efforts to achieve savings through business process reengineering efforts. We are also concerned that it could exacerbate a problem we have previously identified regarding past BRAC rounds involving the lack of adequate systems in place to track and update savings resulting from BRAC actions--the focus of our recommendation for the Secretary of Defense. These concerns are reinforced by limitations in DOD's financial management systems that historically have made it difficult to fully identify the costs of operations and provide a complete baseline from which to assess savings.

Transformation Cited as Justification for Many Recommendations Despite Lack of Clear Agreement on Transformational Options

While furthering transformation was one of the BRAC goals, there was no agreement between DOD and its components on what should be considered a transformational effort. As part of the BRAC process, the department developed over 200 transformational options for stationing and supporting forces as well as for increasing operational efficiency and effectiveness. The OSD BRAC office narrowed this list to 77 options, but agreement was not reached within the department on these options, so none of them were formally approved. Nonetheless, each service and joint cross-service group was permitted to use the transformational options as appropriate to support its candidate recommendations. Appendix XV has a list of these 77 draft options.

Collectively, these draft options did not provide a clear definition of transformation across the department. The options ranged from those that seemed to be service specific to those that suggested new ways of doing business. For example, some transformational options included reducing the number of Army Reserve regional

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headquarters; optimizing Air Force squadrons; and co-locating various functions such as recruiting, military and civilian personnel training, and research, development and acquisition and test and evaluation, across the military departments. In contrast, some options suggested consideration of new ways of doing business, such as privatizing some functions and establishing a DOD agency to oversee depot-level reparable.

While the transformational options were never formally approved, our analysis indicates that many of DOD's recommendations reference one or more of the 77 transformational options. For example, 15 of the headquarters and support activities group recommendations reference the option to minimize leased space and move organizations in leased space to DOD-owned space. Likewise, 37 of the Army reserve component recommendations reference the option to co-locate guard and reserve units at active bases or consolidate guard and reserve units that are located in proximity to one another at one location.

Conversely, a number of the scenarios that were initially considered but not adopted reference transformational options that could have changed existing business practices. For example, the education and training group developed a number of scenarios--privatizing graduate education programs and consolidating undergraduate fixed and rotary wing pilot training--based on the draft transformational options, but none were ultimately approved by the department.

Some Progress Made in Fostering Joint Basing

DOD's recommendations make some progress toward the goal of fostering joint activity among the military services, based on a broad definition of joint activity. We found that for DOD's recommendations, joint activity included consolidating some training functions within the same service, colocating like organizations and functions on the same installation, and moving some organizations or functions closer to installations in order to further opportunities for joint training. Although the recommendations achieve some progress in fostering jointness, we found other instances where DOD ultimately adopted a service-centric solution even though the joint cross-service groups proposed a joint scenario. Table 3 shows the major recommendations that foster joint activity.

While the proposal to create joint bases by consolidating common installation management functions is projected to create greater efficiencies, our prior work suggests that implementation of these actions may prove challenging. The joint-basing recommendation involves one service being responsible for various installation management support

Type of joint activity Recommended action

Consolidation The education and training group is proposing to consolidate

-- initial Joint Strike Fighter aircraft training for the Navy, Marine Corps, and Air Force at Eglin Air Force Base;

-- undergraduate navigator training for the Navy and Air Force at Naval Air Station Pensacola; and

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-- transportation management, religious studies, and culinary training among the military services. The medical group is proposing to establish

-- the Walter Reed National Military Medical Center, Bethesda, Maryland, by consolidating the Walter Reed Army Medical Center and the National Naval Medical Center, and

-- the San Antonio Regional Military Medical Center by relocating inpatient care from Wilford Hall Medical Center to the Brooke Army Medical Center.

The headquarters and support activities group is proposing to consolidate the installation management functions across various bases.

Co-location The Army is proposing to move the Third Army Headquarters (Army component command to Central Command) to Shaw Air Force Base to be co-located with the Air Force component of Central Command. The Navy is proposing to move aircraft from Willow Grove Air Reserve Station to McGuire Air Force Base, and from Naval Air Station Atlanta to Robins Air Force Base.

The technical group is proposing to co-locate

-- the services' and defense agencies' extramural funding program managers at the National Naval Medical Center, Bethesda, Maryland and

-- gun and ammunition research and development and acquisition to Picatinny Arsenal. The headquarters and support activities group is proposing to co-locate DOD investigative agencies at Quantico Marine Corps Base.

Proximity The Air Force is proposing to move A-10 aircraft to Moody Air Force Base to enhance training Army units at Fort Benning and Fort Stewart.

The Army is proposing to move a special operations unit from Fort Bragg to Eglin Air Force Base in proximity to the Air Force's Special Operations Command headquarters at Hurlburt Field.

functions²⁹ at bases that share a common boundary or are in proximity to one another. For example, the Army would be the executive agent for Fort Lewis, Washington, and McChord Air Force Base, Washington, combined as Joint Base Lewis-McChord. However, as evident from our recent visit to both installations and discussions with base officials, concerns over obstacles such as seeking efficiencies at the expense of the mission, could jeopardize a smooth and successful implementation of the recommendation.

In some cases, the joint cross-service groups proposed scenarios that would have merged various support functions among the services, but a service solution was adopted by DOD. For example, the Headquarters and Support Activities Joint Cross-Service Group proposed to (1) consolidate civilian personnel offices under a new defense agency as DOD implements the national security personnel system, and (2) co-locate all military personnel centers in San Antonio, Texas, in anticipation of a standard military personnel system being implemented across the department.

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However, in both cases, DOD decided to consolidate military and civilian personnel centers within each service. Likewise, the Education and Training Joint Cross-Service Group proposed scenarios to consolidate undergraduate fixed wing training activities between the Air Force and the Navy and rotary wing training activities between the Navy and the Army to eliminate excess capacity. However, the proposals were not adopted because the Navy and the Air Force expressed concerns that this recommendation would result in significant permanent change of station costs for the services, specifically the cost of students traveling to designated training locations.

DOD Developed a Generally Logical and Reasoned Process for Making BRAC Decisions

Based on our analytical work, we believe DOD established and generally followed a logical and reasoned process for formulating its list of BRAC recommendations. The process was organized in a largely sequential manner with a strong emphasis on ensuring that accurate data were obtained and used. OSD established an oversight structure that allowed the seven individual joint cross- service groups to play a larger, more visible role in the 2005 BRAC process compared to BRAC 1995. Despite some overlap in data collection and other phases of the process, these groups and the military services generally followed the sequential BRAC process designed to evaluate and subsequently identify recommendations within their respective areas, with only the Army using a separate but parallel process to evaluate its reserve components. DOD also incorporated into its analytical process several key considerations required by the BRAC legislation, including the use of certified data, basing its analysis on its 20- year force structure plan and emphasizing its military value selection criteria, which included homeland defense and surge capabilities. In addition, DOD`s Inspector General and the military service audit agencies helped to ensure the data used during the BRAC process were accurate and reliable.

BRAC Process Was Logical and Largely Sequentially Structured

DOD provided overall policy guidance for the BRAC process, including a requirement that its components develop and implement internal control plans to ensure the accuracy and consistency of their data collection and analyses. These plans also helped to ensure the overall integrity of the process and the information upon which OSD considered each group`s recommendations. The BRAC recommendations, for the most part, resulted from a data- intensive process that was supplemented by the use of military judgment as needed. The process began with a set of sequential steps by assessing capacity and military value, developing and analyzing scenarios, then identifying candidate recommendations, which led to OSD`s final list of BRAC recommendations. Figure 7 illustrates the overall sequential analytical process DOD generally employed to reach BRAC recommendations.

It must be noted, however, that while the process largely followed the sequential process established by the department, initial difficulties associated with obtaining complete and accurate data in a timely manner added to overlap and varying degrees of concurrency between data collection efforts and other steps in the process.

During the 2005 BRAC process, the seven individual joint cross- service groups

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played a larger, more visible role compared to their role during the 1995 BRAC round. Our analysis indicates that many, although not all, actions proposed by these groups were accepted by OSD and the military services. Based on lessons learned, OSD empowered these groups in 2005 to suggest BRAC recommendations directly to a senior-level group that oversaw the BRAC 2005 analysis. Moreover, we noted a closer coordination between these groups, the military services, and OSD than existed during the 1995 round. OSD's efforts to integrate the process among these seven joint cross-service groups with the military services' own efforts led to increased discussions, greater visibility, and more influence for the crossservice recommendations than in prior BRAC rounds.

To assist in the process for analyzing and developing recommendations, the military services and joint cross-service groups used various analytical tools. These tools helped to ensure a more consistent approach to BRAC analysis and decision making. For example, all of the groups used the DOD-approved COBRA model to calculate costs, savings, and return on investment for BRAC scenarios and, ultimately for the final 222 BRAC recommendations. As noted in appendix XIII, the COBRA model was designed to provide consistency across the military services and the joint cross-service groups in estimating BRAC costs and savings. DOD has used the COBRA model in each of the previous BRAC rounds and, over time, has improved upon its design to provide better estimating capability. In our past and current reviews of the COBRA model, we found it to be a generally reasonable estimator for comparing potential costs and savings among various BRAC options.

Furthermore, the military services and joint cross-service groups generally used a consistent process to assess and formulate BRAC recommendations, with one minor exception involving the Army reserve components. The Army created a separate yet parallel approach in reviewing its reserve components for several reasons, although it generally followed the BRAC process. With respect to its reserve components, the Army did not perform a military value rank-ordering of these various installations across the country, but instead assessed the relative military value that could be obtained by consolidating various facilities into a joint facility in specific geographical locales to support, among other things, reserve component training, recruiting, and retention efforts. This approach provided an opportunity for the Army reserve components to actively participate in the BRAC process along with the voluntary participation of the states. The Army reported that consulting with the states was crucial to ensure the support of the state governors and staff Adjutants General for issues related to recommendations that affected the National Guard. The Army's recommendations affected almost 10 percent of the Army's 4,000 reserve components' facilities. More specifically, the Army recommended 176 Army Reserve closures with the understanding that the state governors will close 211 Army National Guard facilities with the intent of relocating their units into 125 new Armed Forces Reserve Centers. The Army reports that 38 states and Puerto Rico voluntarily participated in the BRAC process.

The Air Force and the Navy also reviewed their reserve components' installations but did so within the common analytical structure established by OSD, yet with some differences in approach in involving affected stakeholders in the process. For example, the Air Force did not involve state officials or its State Adjutants General as it analyzed and developed its BRAC recommendations. However, senior Air National Guard and Reserve leadership were in attendance as voting members of the Air

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Force's Base Closure Executive Group, a senior deliberative body for the BRAC process.

The Navy also reviewed its reserve components, including the Marine Corps Reserves, within the BRAC process, and worked closely with representatives from the Navy and Marine Corps reserve components to consolidate units within active duty installations or armed forces reserve centers without affecting recruiting demographics.

BRAC Process Incorporated Key Legislative Requirements

DOD also incorporated into its analytical process the legal considerations for formulating its **realignment** and closure recommendations. As required by BRAC legislation, DOD based its recommendations on (1) the use of certified data, (2) its 20-year force structure plan, and (3) military value criteria as the primary consideration in assessing and formulating its recommendations.

Use of Certified Data

DOD collected capacity and military value data that were certified as to their accuracy by hundreds of persons in senior leadership positions across the country.³⁰ These certified data were obtained from corporate databases and from hundreds of defense installations. DOD continued to collect certified data, as needed, to support follow-up questions, cost calculations, and to develop recommendations. In total, DOD projects that it collected over 25 million pieces of data as part of the BRAC process.³¹ Given the extensive volume of requested data from the 10 separate groups (3 military departments and 7 joint cross-service groups), we noted that the data collection process was quite lengthy and required significant efforts to help ensure data accuracy, particularly from joint cross-service groups that were attempting to obtain common data across multiple military components, which, because of the diverse nature of the functions and activities, do not always use the same data metrics. In some cases, coordinating data requests, clarifying questions and answers, controlling database entries, and other issues led to delays in the data-driven analysis DOD originally envisioned. As such, some groups had to develop strategy-based proposals. As time progressed, however, these groups reported that they obtained the needed data, for the most part, to inform and support their scenarios. The DOD Inspector General and the service's audit agencies played an important role in ensuring that the data used in the BRAC analyses were accurate and certified by cognizant senior officials.

Consideration of DOD's 20-year Force Structure Plan

As congressionally mandated, each of the military services and the seven joint cross-service groups considered DOD's 20-year force structure plan in its analyses. DOD based its force structure plan for BRAC purposes on an assessment of probable threats to national security during a 20-year period beginning with fiscal year 2005. DOD provided this plan to Congress in March 2004, and as authorized by the statute, it subsequently updated it 1 year later in March 2005. Based on our analysis, updates to the force structure affected some ongoing BRAC analyses. For example, the Industrial Joint Cross-Service Group reassessed its data pertaining to overhauling and repairing ships based on the updated force structure outlook and decided that

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one of its two smaller shipyards--Naval Shipyard Pearl Harbor or Naval Shipyard Portsmouth--could close. Ultimately, the Navy decided to close the Portsmouth shipyard in Maine. In addition, the Navy told us it recalculated its capacity based on updates to the force structure plan and determined that there was no significant change to its original analysis. The other groups, such as those examining headquarters and support activities, education and training, or technical functions, considered updates to the defense 20-year force structure and determined the changes would have no impact on their ongoing analyses or the development of recommendations.

Primary Consideration of Military Value Criteria, Which Included Homeland Defense and Surge

DOD gave primary consideration to its military value selection criteria in its process. Specifically, military value refers to the first four selection criteria in figure 2 and includes an installation's current and future mission capabilities, condition, ability to accommodate future needs, and cost of operations. The manner in which each military service or joint crossservice group approached its analysis of military value varied according to the unique aspects of the individual service or cross-service function.

These groups typically assessed military value by identifying multiple attributes or characteristics related to each military value criterion, then identifying qualitative metrics and measures and associated questions to collect data to support the overall military value analysis. For example, figure 8 illustrates how the Technical Joint Cross-Service Group linked several of its military value attributes, metrics, and data questions to the mandated military value criteria.

Quantitative scoring plans were developed by each military service or joint cross-service group assigning relative weights to each of the military value criteria for use in evaluating and ranking facilities or functions in their respective areas. Appendixes III through XII highlight the use and linkages of military value criteria by each service and joint cross-service group.

As noted earlier, based on congressional direction, there was enhanced emphasis on two aspects of military value--an installation's ability to serve People as a staging area for homeland defense missions and its ability to meet unanticipated surge.³²

-- Homeland defense: Each of the three military services considered homeland defense roles in its BRAC analysis and coordinated with the U.S. Northern Command--a unified command responsible for homeland defense and civil support. In October 2004, the U.S. Northern Command contacted the Chairman of the Joint Chiefs of Staff, requesting to play a role in ensuring that homeland defense received appropriate attention in the analytical process. Our analysis shows that all three military departments factored in homeland defense needs, with the Air Force recommendations having the most impact. According to Air Force officials, the U.S. Northern Command identified specific homeland defense missions assigned to the Air Force, which they incorporated into its decision-making process. Navy officials likewise discussed the impact of potential BRAC scenarios on its maritime homeland defense mission with U.S. Northern Command, U.S. Strategic Command, and the U.S. Coast Guard. In this regard, the Navy decided to retain Naval Air Station Point

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Mugu, California, was influenced, in part, because the U.S. Coast Guard wanted to consolidate its West Coast aviation assets at this installation for homeland defense purposes. According to Army officials, most of their role in supporting homeland defense is carried out by the Army National Guard. The U.S. Northern Command reviewed the recommendations and found no unacceptable risk to the homeland defense mission and support to civil authorities.

-- Surge: DOD left it to each military service and joint cross-service group to determine how surge would be considered in their analysis.

Generally, all the groups considered surge by retaining a certain percentage of infrastructure, making more frequent use of existing infrastructure, or retaining difficult-to-reconstitute assets. For example, the Technical Joint Cross-Service Group set aside 10 percent of its facility infrastructure for surge, while the Industrial Joint Cross-Service Group factored in additional work shifts in its analysis. The military services retained difficult-to-reconstitute assets as the primary driver to satisfying the statutory requirement to consider surge capability. Both the Army and Navy gave strong consideration to infrastructure that would be difficult to reconstitute, such as large tracts of land for maneuver training purposes or berthing space for docking ships. For example, the Navy has a finite number of ships and aircraft and would likely have to increase operating tempo to meet surge needs. The Air Force addressed surge by retaining sufficient capacity to absorb temporary increases in operations, such as responding to emergencies or natural catastrophic events like hurricane damage, and the capacity to permanently relocate all of its aircraft stationed overseas in the United States if needed.

Congress also mandated four other criteria to be considered in the analytical process: cost and savings of the BRAC recommendations, economic impact on affected communities, impact on communities' infrastructure, and environmental impact. The extent these other mandated considerations influenced recommendations varied. For example, high cost was the primary reason the Army decided not to develop a recommendation to restation troops returning from overseas to installations with large tracts of undeveloped land that could potentially accommodate these moves, such as Yuma Proving Ground, Arizona, or Dugway Proving Ground, Utah. Despite these installations having the capacity to provide large training ranges, they do not have existing infrastructure to immediately house 3,000 to 5,000 troops required for the Army's new modular combat brigades.³³ Initially, the Army assessed the possibility of building new infrastructure at these locations, but Army BRAC officials told us it would be too costly given that the Army's COBRA analysis showed that at Yuma, for example, it would cost about \$2 billion to build the required infrastructure. As a result, the Army decided to place units returning from overseas at installations currently used to base other operational units, notwithstanding limitations in existing training capacities.

Although there was heavy reliance on data for completing analyses, military judgment was also a factor throughout the entire process, starting with an analytical framework to base analysis of the 20-year force structure plan and ending with the finalized list of 222 recommendations submitted to the BRAC Commission. Military judgment also played a role in decisions on how military value selection criteria would be captured as attributes, with associated values or weights. Military judgment was also applied in deciding which proposed scenarios or actions should move

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forward for additional analysis. Generally, military judgment was exercised at this stage to delete or modify a potential recommendation for reasons such as strategic importance, as shown in the following examples:

-- Naval Shipyard Pearl Harbor, Hawaii, which has a lower military value than other shipyards, was eliminated from closure consideration because the shipyard was considered to have more strategic significance in the Pacific Ocean area compared to other alternatives.

-- Tripler Army Medical Center, Hawaii, which has a lower military value than some other bases, was eliminated from closure consideration because it is the only defense medical center of significant size in the Pacific Ocean area.

-- Naval Station Everett, Washington, which has a lower military value than some other bases, was eliminated from closure consideration because of strategic reasons regarding the number and the locations of the Navy's aircraft carriers on the West Coast and in the Pacific.

-- Grand Forks Air Force Base, North Dakota, which has a lower military value than some other bases, was eliminated from closure consideration because of the belief that a strategic presence was needed in the north central United States. Even though Grand Forks Air Force Base was retained for strategic reasons, Minot Air Force Base is also located in North Dakota and is not affected by any BRAC recommendations.

DOD Audit Agencies Helped to Improve the Accuracy of Data Used during the BRAC Process

The oversight roles of the DOD Inspector General and the military services' audit agency staff, given their access to relevant information and officials as the process evolved, helped to improve the accuracy of the data used in the BRAC process. The DOD Inspector General and most of the individual service audit agencies' reports generally concluded that the extensive amount of data used as the basis for BRAC decisions was sufficiently valid and accurate for the purposes intended. In addition, with limited exceptions, these reports did not identify any material issues that would impede a BRAC recommendation.

The DOD Inspector General and the services' audit agencies played an important role in ensuring that the data used in the BRAC analyses were accurate and certified by cognizant senior officials. Their frontline roles and the thousands of staff days devoted to reviewing the massive data collection efforts associated with the BRAC process added an important aspect to the quality and integrity of the data used by military services and joint cross-service groups. Through extensive audits of the capacity, military value, and scenario data collected from field activities, these audit agencies notified various BRAC teams of data discrepancies for corrective action. The audit activities included validation of data, compliance with data certification requirements employed throughout the chain of command, and examination of the accuracy of the analytical data. While the auditors initially encountered problems with regard to data accuracy and the lack of supporting documentation for certain questions and data elements, most of these concerns were resolved. In addition, the auditors worked to ensure certified information was used for BRAC analysis. These audit agencies also reviewed other facets of the process, including the various

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internal control plans, the COBRA model, and other modeling and analytical tools that were used in the development of recommendations. Appendix XVI lists these organizations' audit reports related to BRAC 2005 to the extent they were available at the time this report was completed.

Overall, these organizational audit agencies reported the following:

-- The Naval Audit Service reported that it visited 214 sites, covering 45 data calls, and audited over 8,300 questions. It concluded that the data appeared reasonably accurate and complete and the Navy complied with statutory guidance and DOD policies and procedures.

-- The Air Force Audit Agency officials told us they visited 104 installations, reviewed over 11,110 data call responses at 126 Air Force locations, 8 major commands, the Air National Guard, and Headquarters Air Force, and concluded that data used for Air Force BRAC analysis were generally reliable.

-- The Army Audit Agency reported that it visited 32 installations and 3 leased facilities and reviewed for accuracy over 2,342 responses. It concluded that the data was reasonably accurate and that the Army BRAC office had a sound process in place to collect certified data.

-- DOD Inspector General officials told us they visited about 1,550 sites covering 29 defense agencies and organizations and reviewed over 15,770 responses. We were told that these responses were generally supported, complete, and reasonable. The DOD Inspector General also evaluated the validity, integrity, and documentation of data used by the seven joint cross-service groups and found they generally used certified data for the BRAC analysis.

We closely coordinated with the DOD Inspector General and the three service audit agencies to maximize our individual and collective efforts and avoid duplication. As part of this coordination, we observed their audit efforts at selected military installations to verify the scope and quality of coverage they provided throughout the process and to give us insights into potential issues having broader applicability across the entire process. We also observed the work of these audit agencies to better familiarize ourselves with the types of issues being identified and resolved, with a view toward determining their materiality to the overall process.

Several Aspects of DOD's BRAC Recommendations and Rejected Proposals May Warrant Further Attention

We identified issues regarding DOD's recommendations, and other actions considered during the selection process that may warrant further attention by the BRAC Commission. Many of the issues relate to how costs and savings were estimated while others relate to potential impacts on communities surrounding bases that stand to gain or lose missions and personnel as a result of BRAC actions. Further, we are highlighting candidate recommendations that were presented during the selection process by either the military services or the joint cross-service groups to senior DOD leadership within the IEC that were projected as having the potential to generate significant savings, and which were substantially revised or deleted from further consideration during the last few weeks or days of the selection process.

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Additional discussion of issues targeted more specifically to the work and recommendations of the military services and joint cross-service groups is included in appendixes III through XII.

Issues with DOD`s BRAC Recommendations

We identified a number of issues, most of which apply to a broad range of DOD`s recommendations, that may warrant further attention by the BRAC Commission. In addition to the issue previously discussed regarding military personnel eliminations being claimed as savings to the department, other issues include (1) instances of lengthy payback periods (time required to recoup up-front investment costs), (2) inconsistencies in how DOD estimated costs for BRAC actions involving military construction projects, (3) uncertainties in estimating the total costs to the government to implement DOD`s recommended actions, and (4) potential impacts on communities surrounding bases that are expected to gain large numbers of personnel if DOD`s recommendations are implemented.

Some Lengthy Payback Periods

Many of the 222 recommendations DOD made in the 2005 round are associated with lengthy payback periods, which, in some cases, call into question whether the department would be gaining sufficient monetary value for the up-front investment cost required to implement its recommendations and the time required to recover this investment. Our analysis indicates that 143, or 64 percent, of DOD`s recommendations are associated with payback periods that are 6 years or less while 79, or 36 percent, of the recommendations are associated with lengthier paybacks that exceed the 6-year mark or never produce savings. DOD officials acknowledge that the additional objectives of fostering jointness and transformation have had some effect on generating recommendations with longer payback periods. Furthermore, our analysis shows that the number of recommendations with lengthy payback periods varied across the military services and the joint cross-service groups, as shown in table 4.

As shown in table 4, the Army has five recommendations and the education and training group has one recommendation that never payback, as described below:

- Army **realignment** of a special forces unit from Fort Bragg, North Carolina, to Eglin Air Force Base, Florida;
- Army **realignment** of a heavy brigade from Fort Hood, Texas, to Fort Carson, Colorado;
- Army **realignment** of a heavy brigade to Fort Bliss, Texas, and infantry and aviation units to Fort Riley, Kansas;
- Army reserve component consolidations in Minnesota;
- Army reserve component consolidations in North Dakota; and
- Education and Training Joint Cross-Service Group`s establishment of Joint Strike Fighter aircraft training at Eglin Air Force Base, Florida.

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According to Army officials, their five recommendations have no payback because, in part, they must build additional facilities to accommodate the return of about 47,000 forces currently stationed overseas to the United States as part of DOD's Integrated Global Presence and Basing Strategy initiative (see app. III for further discussion of the restationing initiative).

According to the education and training group, its one recommendation with no payback period is due to the high military construction costs associated with the new mission to consolidate initial training for the Joint Strike Fighter aircraft for the Navy, the Marine Corps and the Air Force.

Similarly, the Army has nearly 50 percent of the total number of DOD recommendations with payback periods of 10 years or longer. Our analysis of Army data shows that these lengthy paybacks are attributable to many of the recommendations regarding the reserve components. These recommendations typically have a combination of relatively high military construction costs and relatively low annual recurring savings, which tend to lengthen the payback period.

We also identified some portions of DOD's individual recommendations that are associated with lengthy payback periods for certain BRAC actions but are imbedded within larger bundled recommendations. The following are a few examples:

-- A proposal initially developed by the Headquarters and Support Activities Joint Cross-Service Group to move the Army Materiel Command from Fort Belvoir, Virginia, to Redstone Arsenal, Alabama, had more than a 100-year payback period with a net cost over a 20-year period. However, the proposal did not include some expected savings that, if included, would have reduced the payback period to 32 years. Concurrently, the group developed a separate proposal to relocate various Army offices from leased and government-owned office space onto Fort Sam Houston, Texas, which would have resulted in a 3-year payback period. The headquarters group decided to combine these two stand-alone proposals into one recommendation, resulting in an expected 20-year net present value savings of about \$123 million with a 10-year payback.

-- Many of the individual Air Force proposals involving the Air National Guard and Air Force Reserve had payback periods ranging from 10 to more than 100 years. These individual proposals were subsequently revised by combining them with other related proposals to produce recommendations that had significant savings, minimized the longer payback periods, and linked operational **realignment** actions. We found that this change occurred in the **realignment** of Lambert-St. Louis International Airport Air Guard Station, Missouri, which originally had a 63-year payback period and resulted in a 20-year net present value cost of about \$22 million. However, this **realignment** is now a part of the closure of Otis Air National Guard Base, Massachusetts, and the **realignment** of Atlantic City Air Guard Station, New Jersey. The combined recommendation results in a 20-year net present value savings of \$336 million and a 3-year payback period.

Inconsistencies in DOD's Estimated Costs for Military Construction Projects

While the military services used the COBRA model to estimate the costs for military

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construction projects needed to implement BRAC recommendations, we found some inconsistencies in how they estimated some costs associated with these projects. While the impact of these inconsistencies on savings is likely not as great as others noted in this report, it nevertheless contributes to the overall imprecision of the cost estimates of DOD's recommended actions.

One area of inconsistent accounting involves the relative amounts of estimated support costs--such as the cost of connecting a new facility to existing water, sewage, and electrical systems-- associated with military construction projects across the services. In its estimates, the Army considered these additional support costs as one-time costs whereas the Navy and the Air Force included them in the cost of the military construction projects for each project. By including these support costs in the cost of each project, the Navy and Air Force generally generated higher relative recurring costs than the Army for the recapitalization of facilities over time. Specifically, the Army increased its military construction cost estimates by 18.5 percent to account for the connection of the projected new facilities' utilities. The Air Force, on the other hand, increased its construction costs for support services from 8 to 40 percent, depending on the type of facility, while the Navy included support costs at only two locations. According to the Special Assistant to the Secretary of the Navy for BRAC, the Navy assigned teams to review all proposed military construction projects by location to determine any support costs necessary for connection of utilities. Our analysis shows that had the Army used the same methodology as the Navy and the Air Force, the Army would incur about \$66 million in additional recapitalization costs for all of its proposed military construction projects.

The services were also inconsistent in considering the costs associated with meeting DOD's antiterrorism force protection standards in their estimated costs for military construction projects.³⁴ The Air Force increased the expected costs of its military construction projects by 2.3 percent, or about \$18 million, to meet DOD's standards. Air Force officials noted that these funds would provide enhancements such as security barriers and blast proof windows. The Army and the Navy, on the other hand, did not include additional costs to meet the department's standards in their proposed military construction projects. If the Army and the Navy estimated costs similarly to the Air Force, the cost of their proposed military construction projects would have increased by about \$146 million and \$25 million, respectively.

Uncertainties in Accounting for All Expected Costs or Savings to the Federal Government

DOD's cost and savings estimates for implementing its recommendations do not fully reflect all expected costs or savings that may accrue to the federal government. The BRAC legislation requires that DOD take into account the effect of proposed closure or **realignment** on the costs of any other activity of the department or any other federal agency that may be required to assume responsibility for activities at military installations.³⁵

While the services and joint cross-service groups were aware of the potential for these costs, estimated costs were not included in the cost and savings analysis because it was unclear what actions an agency might take in response to the BRAC action. One such agency was the U.S. Coast Guard, which currently maintains some of its ships or various units at several installations that are slated to close. Navy

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BRAC officials briefed the U.S. Coast Guard about its recommendations prior to the list being published, but the Air Force did not meet with the Coast Guard. The U.S. Coast Guard was still in the process of evaluating various responses to take as a result of the proposed BRAC actions and did not complete its analysis in time for it to be included in this report.

Further, as noted earlier, estimated costs for the environmental restoration of bases undergoing closure or **realignment** are not included in DOD's cost and savings analyses. Such costs would be difficult to fully project at this point without planned reuse of the unneeded property being known.

Consistent with the prior BRAC rounds, DOD excluded estimates for base environment restoration actions from its costs and savings analysis and in determining payback periods, on the premise that restoration is a liability that the department must address regardless of whether a base is kept open or closed and therefore should not be included in the COBRA analysis.

Nevertheless, DOD did give consideration to such costs in addressing selection criterion 8, and included available information on estimated restoration costs as part of the data supporting its BRAC recommendations. DOD estimates that the restoration costs to implement its major closures would be about \$949 million, as shown in table 5. (See fig. 4 in the Background section for a map of DOD's major base closures.) Based on the data provided, the Army would incur the largest share of estimated restoration costs due to the closure of several ammunition plants and chemical depots. The largest expected costs for any one location across DOD, about \$383 million, would be for restoration at **Hawthorne** Army Depot, Nevada. While the DOD report does not specifically identify the potential for some additional restoration costs at its installations, available supporting documentation does identify some additional costs.

For example, the Army estimated the range restoration at **Hawthorne** Army Depot could cost from about \$27 million to \$147 million, which is not included in the estimates in table 5. Further, the Army recognizes that additional restoration costs could be incurred at six additional locations that have ranges and chemical munitions, but these costs have not yet been determined.

Our prior work has shown that environmental costs can be significant, as evidenced by the nearly \$12 billion in total cost DOD expected to incur when all restoration actions associated with the prior BRAC rounds are completed. Service officials told us that the projected cost estimates for environmental restoration are lower, in general, because the environmental condition of today's bases is much better than the condition of bases closed during the prior BRAC rounds, primarily because of DOD's ongoing active base environmental restoration program. Nonetheless, our prior work has indicated that as closures are implemented, more intensive environmental investigations occur and additional hazardous conditions may be uncovered that could result in additional, unanticipated restoration and higher costs. Finally, the services' preliminary estimates are based on restoration standards that are applicable for the current use of the base property. Because reuse plans developed by communities receiving former base property sometimes reflect different uses for the property this could lead to more stringent and thus more expensive restoration in many cases.

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Based on experiences from prior BRAC rounds, we believe other costs are also likely to be incurred, although not required to be included in DOD's cost and savings analysis but which could add to the total costs to the government of implementing the BRAC round. These costs include transition assistance, planning grants, and other assistance made available to affected communities by DOD and other agencies. DOD officials told us that such estimates were not included in the prior rounds' analyses and that it was too difficult to project these costs, given the unknown factors associated with the number of communities affected and the costs that would be required to assist them. Additionally, as we reported in January 2005,³⁶ in the prior four BRAC rounds, DOD's Office of Economic Adjustment, the Department of Labor, the Economic Development Administration within the Department of Commerce, and the Federal Aviation Administration provided nearly \$2 billion in assistance through fiscal year 2004 to communities and individuals, and according to DOD officials, these agencies are slated to perform similar roles for the 2005 round. However, while the magnitude of this assistance is unknown at this time, it is important to note that assistance will likely be needed in this round, as contrasted with prior rounds, for not only those communities that surround bases losing missions and personnel but also for communities that face considerable challenges dealing with large influxes of personnel and military missions. For example, DOD stated in its 2005 BRAC report that over 100 actions significantly affect local communities, triggering federal assistance from DOD and other federal agencies. Also, as discussed more fully later, the number of bases in the 2005 BRAC round that will gain several thousand personnel from the recommended actions could increase pressure for federal assistance to mitigate the impact on community infrastructure, such as schools and roads, with the potential for more costs than in the prior rounds.

Finally, the BRAC costs and savings estimates do not include any anticipated revenue from such actions as the sale of unneeded former base property or the transfer of property to communities through economic development conveyances.³⁷ The potential for significant revenue may exist at certain locations. For example, the Navy sold some unneeded property from prior round actions in California at the former El Toro Marine Corps Air Station for about \$650 million and the former Tustin Marine Corps Air Station for \$208.5 million. The extent to which sales will play a role in the disposal of unneeded property arising from the 2005 BRAC round remains to be seen.

Impact of BRAC Recommended Actions on Communities

The recommended actions for the 2005 BRAC round will have varying degrees of impact on communities surrounding bases undergoing a closure or **realignment**. While some will face economic recovery challenges as a result of a closure and associated losses of base personnel, others, which expect large influxes of personnel due to increased base activity, face a different set of challenges involving community infrastructure necessary to accommodate growth.

In examining the economic impact of the 222 BRAC recommendations as measured by the percentage of employment, DOD data indicate that most economic areas across the country are expected to be affected very little but a few could face substantial impact. Almost 83 percent of the 244 economic areas affected by BRAC recommendations fall between a 1 percent loss in employment and a 1 percent gain

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in employment.³⁸ Slightly more than 9 percent of the economic areas had a negative economic impact of greater than 1 percent, but for some of these areas, the projected impact is fairly significant, ranging up to a potential direct and indirect loss of up to nearly 21 percent. Almost 8 percent of the economic areas had a positive economic impact greater than 1 percent. Appendix XIV provides additional detail on our economic analyses.

Of those communities facing potential negative economic impact, six communities face the potential for a fairly significant impact. They include communities surrounding Cannon Air Force Base, New Mexico; **Hawthorne** Army Depot, Nevada; Naval Support Activity Crane, Indiana; Submarine Base New London, Connecticut; Eielson Air Force Base, Alaska; and Ellsworth Air Force Base, South Dakota, where the negative impact on employment as a percent of area employment ranges from 8.5 percent to 20.5 percent. Our prior work has shown that a variety of factors will affect how quickly communities are able to rebound from the negative economic consequences of closures and **realignments**. They include such factors as the trends associated with the national, regional, and local economies; natural and labor resources; effective planning for reuse of base property; and federal, state, and local government assistance to facilitate transition planning and execution. In a series of reports that have assessed the progress in implementing closures and **realignments** in prior BRAC rounds, we reported that most communities surrounding closed bases have been faring well in relation to key national economic indicators--unemployment rate and the average annual real per capita income growth rates.³⁹ In our January 2005 report for example, we further reported that while some communities surrounding closed bases were faring better than others, most have recovered or are continuing to recover from the impact of BRAC, with more mixed results recently, allowing for some negative impact from the economic downturn nationwide in recent years.

The 2005 round, however, also has the potential to significantly affect a number of communities surrounding installations, which are expected to experience considerable growth in the numbers of military, civilian, and civilian support personnel. These personnel increases are likely to place additional demands on community services, such as providing adequate housing and schools, for which the communities may not have adequate resources to address in the short term. The total gains can be much more than just those personnel with the consideration of accompanying families.

Table 6 shows that 20 installations are expected to realize gains of over 2,000 military, civilian, and mission support contractor personnel for an aggregate increase of more than 106,000 personnel.

As shown in table 6, most of the gaining installations are Army installations with the gains attributable to a number of actions, including the return of large numbers of personnel from overseas locations under DOD's integrated global presence and basing strategy and the consolidation of various activities, such as combat-support related activities at Fort Lee, Virginia. Fort Belvoir, Virginia, has the largest expected growth, due in large measure to some consolidation of various activities from lease space in the Washington, D.C. area.

The challenges facing communities surrounding gaining bases can be many,

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including increased housing demand, increased demands for roads and utilities, and adequate schools. These challenges can be formidable as communities may be faced with inadequate resources to address concerns in these areas as follows:

-- Housing: If history is any indication, while some of the personnel transferring into a base may live on-base, the majority may not, as the military services are turning more to housing privatization. Installation officials at Fort Riley, Kansas, told us about concerns about the nearby availability of housing (within a 20-mile radius) to support the expected influx of military and civilian personnel and their families transferring to the base. For those installations where adequate housing is not available in the surrounding communities existing housing privatization projects would need to be revised and expedited to provide for additional units. Fort Bliss, Texas, officials told us that they expect the need to accelerate their existing housing privatization efforts, but would require additional funds to do so. Currently, housing privatization has taken place or is in the process of taking place at several of these installations and similar efforts may be needed there as well.

-- Schools: Effects on bases with the greatest gain in personnel resulting from BRAC vary between whether dependents attend schools operated on base by DOD (Fort Benning, Fort Bragg, and Marine Corps Base Quantico as shown in table 6) or schools operated by local educational agencies. We recently reported on challenges likely to be faced by both DOD operated schools and those operated by local educational agencies in the post BRAC environment at these and other locations.⁴⁰ Recently, in visiting selected bases affected by the BRAC recommendations, installation officials told us that while local educational authorities should be able to absorb additional students into their school systems, they are more concerned about the potential shortage of teachers.

Another concern is that make-shift trailers or temporary modular facilities might be used. For example, while Kings Bay, Georgia, officials told us that the local school system should be able to accommodate the increase of students, it may need to resort to the use of portable classrooms. All installations that are expected to gain more than 2,000 personnel have local community-administrated school systems with the exceptions of Fort Benning, Fort Bragg, and Marine Corps Base Quantico which have DOD-administrated school systems. If additional capacity is required at these three locations, additional military constructions funds would likely be needed.

-- Other infrastructure: Installation officials we spoke to also expressed some concern for the increased demand for various community services, such as health care, transportation, and utilities to accommodate personnel increases. Fort Carson, Colorado, officials told us that with its expected personnel increases, the local community will need more TRICARE providers to meet the expected demand. In other cases, such as at Fort Belvoir, Virginia, discussion has ensued regarding the need for increased mass transit capability, which may involve requests for millions of dollars in federal grant assistance.

As previously noted, it is likely that these concerns may increase federal governmental expenditures that are not included in the BRAC cost and savings analyses.

Candidate Recommendations That Were Deleted or Revised during the Final Weeks

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of the Selection Process

We also identified several candidate recommendations that were presented by the military services or joint cross-service groups to the IEC--DOD's senior BRAC leadership group--that were substantially revised or deleted from further consideration during the last few weeks of the BRAC section process. In aggregate, based on projected savings, these actions reduced the overall potential for estimated net annual recurring savings by nearly \$500 million and estimated 20-year net present value savings by over \$4.8 billion, as shown in table 7.

Each of the cases highlighted in the table is described in additional detail below.

-- The educational and training group proposed to privatize graduate education, which enabled the Navy to recommend the closure of the Naval Postgraduate School, Monterey, California. The proposed closure supported DOD's draft transformational option to privatize graduatelevel education. Navy officials, however, stated that they believed professional military education was more important than ever given the world climate. During the IEC deliberations, Navy officials expressed concern about the loss of such a unique graduate military education facility and the effect on international students who participate in the school's programs. Further, in the IEC meeting the Navy stated its belief that all education recommendations should be withdrawn because education is a core competency of the department and relying on the private sector to fulfill that requirement is too risky. The IEC agreed and disapproved the recommendation.

-- The Medical Joint Cross-Service Group recommended that the Uniformed Services University of the Health Sciences associated with the National Naval Medical Center in Bethesda, Maryland, be closed, citing that educating physicians at the site was more costly than alternative scholarship programs (about triple the cost) and that the department could rely on civilian universities to educate military physicians.⁴¹ We also reported previously that the university is a more costly way to educate military physicians.⁴² The IEC, subsequently disapproved the recommendation, citing that education is a core competency for the department, and therefore it was considered too risky to rely on the private sector to provide this function. Also, a DOD official indicated that, with the recommended action to realign Walter Reed Army Medical Center to Bethesda, Maryland, it would be highly desirable to have a military medical college associated with this medical facility in order for it to be a world-class medical center.

-- The Technical Joint Cross-Service Group, through the Army, proposed that the Natick Soldier Systems Center, Massachusetts, be closed and technical functions relocated to Aberdeen Proving Ground, Maryland, to create an integrated command, control, communications, and computers, intelligence, surveillance, and reconnaissance center. In its presentation to the IEC, the Army noted that the cost for this recommendation was high, but it would generate greater efficiencies and faster transition from research and development through the acquisition and fielding phases of the technology. Although the ISG initially raised no concerns and approved the recommendation, the IEC disapproved it in the last week of the BRAC selection process, citing the high cost of the recommendation.

-- The closure of the Adelphi Laboratory Center, Maryland, was originally part of the

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recommendation to close Fort Monmouth, New Jersey, and, along with Natick Soldier Systems Center, was part of the Army's plan for an integrated command, control, communications, and computers, intelligence, surveillance, and reconnaissance center. An Army official told us that, as with the closure of Natick, no concerns were originally raised and the recommendation was approved by the ISG, but the IEC later removed it from the recommendation that includes the closure of Fort Monmouth because of high cost.

-- The proposed closure of Carlisle Barracks, Pennsylvania--home of the Army War College--was initiated by the Education and Training Joint Cross-Service Group and was aimed at creating synergy between the college and Army's Command and General Staff College at Fort Leavenworth, Kansas. The IEC approved the proposed recommendation when it was initially briefed, but later rejected it, based on the Army's argument that among other things, the Army War College's proximity to Washington, D.C., provides access to key national and international policymakers and senior military and civilian leaders within DOD.

-- The Education and Training Joint Cross-Service Group recommended the closure of the Air Force Institute of Technology at Wright-Patterson Air Force Base, Ohio. The group recommended that graduate-level education be provided by the private sector and that all other functions of the institute be relocated to Maxwell Air Force Base, Alabama. However, the IEC disapproved the recommendation based on the risk involved in relying on the private sector for education requirements, given that education is a core competency of the department.

-- The Industrial Joint Cross-Service Group recommended transferring the workload of the Marine Corps' depot maintenance facility in Barstow, California, which enabled the Department of the Navy to recommend closure of the Marine Corps Logistics Base. The Marine Corps raised concerns over the impact that the closure would have on Marine Corps deployments from the West Coast. The IEC decided to downsize the base and retain the depot, citing the Marine Corps' concerns.

-- While the Navy recommended closure of the Naval Air Station Brunswick, Maine, the IEC revised this to a **realignment**. Navy officials stated that the senior Navy leadership had been reluctant to give up the Navy's remaining air station in the Northeast region, but found the potential savings significant enough to recommend closure. Navy officials stated that the IEC relied on military judgment to retain access to an airfield in the Northeast. Nonetheless, all aircraft and associated personnel, equipment, and support as well as the aviation intermediate maintenance capability will be relocated to another Navy base. The Navy is maintaining its cold weather-oriented Survival, Evasion, Resistance and Escape School, a Navy Reserve Center, and other small units at the air station.

-- While the Air Force had proposed to close Grand Forks Air Force Base, North Dakota,⁴³ the IEC revised this to a **realignment** a week before OSD released its recommendations. The Air Force reported in its submission to the BRAC Commission that over 80 percent of the base's personnel are expected to be eliminated or realigned under the revised proposal. The revision to keep the base open was made based on military judgment to keep a strategic presence in the north central United States, with a possible unmanned aerial vehicle mission for the base. Even though Grand Forks Air Force Base was retained for strategic reasons, Minot Air Force Base

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is also located in North Dakota and is not affected by any BRAC recommendation.

-- The closure of Rome Laboratory, New York, was originally part of a Technical Joint Cross-Service Group recommendation to consolidate the Defense Research Laboratories. No concerns were originally raised about the closure, and it was approved by the IEC. However, the IEC subsequently decided to realign rather than close the laboratory to address strategic presence and cost concerns. The **realignment** of Rome has a higher 20-year net present value savings than the closure proposal because the closure would have required more military construction and transfers of military and civilian personnel and equipment.

Conclusions

While we believe DOD's overall recommendations, if approved and implemented would produce savings, there are clear limitations associated with the projected savings, such as the lack of military end-strength reductions and uncertainties associated with other savings estimates. DOD's recommendations would provide net reductions in space and plant replacement value, which would reduce infrastructure costs once up-front investment costs have been recovered but the extent some projected space reductions will be realized is unclear. Other DOD savings estimates are based on what might be broadly termed business process reengineering efforts and other actions, where savings appear likely, but the magnitude of savings has not been validated and much will depend on how the recommended actions are implemented. Nevertheless, the savings could prove difficult to track over time. As a result, DOD's projections may create a false sense of the magnitude of the savings, with fewer resources available for force modernization and other needs than might be anticipated, and there may be the potential for premature budget reductions. Given problems in tracking savings from previous BRAC rounds, and the large volume of BRAC actions this round that are more oriented to **realignments** and business process reengineering than closures, we believe it is of paramount importance that DOD put in place a process to track and periodically update its savings estimates.

Despite a fundamentally sound overall process, we identified numerous issues regarding DOD's list of recommendations that may warrant further attention by the BRAC Commission, as noted in this report and appendixes III through XII. These include those recommendations having lengthy payback periods, some with limited savings relative to investment costs, and potential implementation difficulties. Given the large number of such items for the Commission's consideration, we are not addressing them as individual recommendations but simply referring our report in its entirety for the Commission's consideration.

Recommendation for Executive Action

We recommend that the Secretary of Defense take appropriate steps to establish mechanisms for tracking and periodically updating savings estimates in implementing individual recommendations, with emphasis both on savings related to the more traditional realignment and closure actions as well as those related more to business process reengineering.

Agency Comments

HAWTHORNE ARMY DEPOT NEVADA

Supplemental GAO Report

Cognizant officials of the military services and joint cross- service groups reviewed drafts of the report providing us with informal comments, permitting us to make technical changes, as appropriate, to enhance the accuracy and completeness of the report. Subsequently, we similarly provided complete drafts of the report to cognizant OSD officials, obtaining and incorporating their comments as appropriate. In providing oral comments on a draft of this report, the Deputy Under Secretary of Defense for Installations and Environment concurred with our recommendation.



2005 BRAC COMMISSION REGIONAL HEARING

FINAL DOCUMENT

FRIDAY, JUNE 24, 2005

MARSHALL JUNIOR HIGH SCHOOL AUDITORIUM

CLOVIS, NEW MEXICO

STATES TESTIFYING:

NEW MEXICO, ARIZONA AND NEVADA

COMMISSIONERS PRESIDING:

The Honorable James V. Hansen, Chair

General Lloyd W. Newton

General James T. Hill

Brigadier General Sue E. Turner

The Honorable Philip Coyle

The Honorable James H. Bilbray

Brigadier General David Hague, General Counsel

COMMISSIONER CHAIRING THIS HEARING:

THE HONORABLE JAMES V. HANSEN

regional wild fires and keeps flames away from homes and family. As you know we have many of those in the west. The guard C-130s are a resource the state of Nevada depends upon heavily and simply cannot do without.

Basing the realignment decision on bad data collection and analysis methods, then disregarding one-half of the Guard's dual state and federal mission does great injustice to our military as a whole and the citizens of our state.

I am also compelled to bring to your attention the severely flawed data and incorrect analysis in the Army BRAC report which recommends closure of the Hawthorne depot. From a macro view, the Army report is unsound in five areas.

One, statistical data on employment and production capabilities; two, joint DoD activity and potential activity associated with the base; cost of the base closure is three; and four, encroachment which is very, very serious in any realignment of this particular depot; analysis of ultimate scenarios.

Regarding employment data DoD measured employment displacement resulting from the base closure to the total employment of the Reno/Sparks

Metropolitan Statistical Area. It's just not the right way to do it. The Army BRAC report determined the loss of jobs represented less than .1 percent for total employment. In fact, Hawthorne is 133 miles from the Reno/Sparks employment area.

The loss of employment from the closure represents more than 30 percent of the jobs in the entire county. Add in indirect jobs lost and the figure rises to more than 50 percent of the current employment in the county. We all know the damage that a 50 percent drop of employment can do to a community. And in particular what impact it could have on such a small community like Hawthorne.

The Army report also does not take into account joint DoD activity at Hawthorne such as the Navy Special Forces High Desert Training and Navy Undersea Warfare Center, Marine Corps Sniper Team training and weapons testing, Army Ranger high desert training, nor the processing of range scrap from Air Force and Navy bombing ranges which are extensive in the area over the last 50 years. Of note more than 80 percent of our nation's live ordnance is dropped on Nevada bombing ranges.

DoD estimates the cost of closing the depot at approximately \$180 million. Additional

costs such as retiring outdated military munitions, creating duplicate military capability elsewhere which would be very important in this great country of ours, and environmental remediation could well exceed \$840 million and upwards.

Encroachment issues face many military facilities nationwide. However, the Hawthorne Army Depot has the largest, most diverse environmentally compliant state of the art military munitions dismantling facility in the depot system of the entire DoD. It encompasses 230 square miles of unencumbered land surrounded by other federal lands of the Bureau of Land Management and the U.S. Forest Service.

The town of Hawthorne is situated with no threat of encroachment. Meanwhile, other depots that will have to absorb Hawthorne's mission do not enjoy such relief from encroachment. In fact, it will take five to seven years at least to complete environmental permitting necessary to build similar capabilities at other facilities that are already suffering encroachment issues.

There was no analysis done considering alternate solutions such as closing another facility and moving its function to Hawthorne. I believe the

process requires such an analysis. I also believe the statistical data concerning Hawthorne is significantly flawed to warrant full reconsideration of the decision to close the depot.

Additionally, several current joint functions of the Hawthorne Army Depot were not cited and are assumed to have not been considered in the process. Finally, the proposal to close a munitions base that does not suffer from encroachment issues and move the functions to a base that does inherently counters the BRAC mission. It counters it directly.

I ask you to give serious consideration to my remarks today in summary form and the more detailed remarks of the other Nevada participants who will be with you today. And thank you for the time. We appreciate any questions you may have now or later.

COMMISSIONER HANSEN: Would you like to have any of your other folks here take a few minutes. I assume you do. Thank you so much.

MR. BRABSON: Good morning. I am Giles Vanderhoof, Nevada's homeland security administrator. Mr. Chairman, members of the Base Realignment and Closure Commission, thank you for the opportunity to present information that will demonstrate how very

Governor Guinn also spoke to you concerning the Title 10 requirement to consult and gain concurrence of the governor before effecting units in the state. The failure of the Air Force and DoD to follow the requirements of the U.S.

Constitution and statute and the simple obligation to all men and women in uniform is not acceptable.

We ask that this Commission consider increasing our assigned aircraft to support our growing transformational missions. Thank you for your time.

COMMISSIONER HANSEN: Thank you, General. Senator McGinness, would you like to go first? There is some continuity in the

MS. HARTMAN: I'm Shelley Hartman, I'm the Executive Director for Economic Development in Mineral County. This is the book that we've given you. On the back is a breakdown of our concerns about the effect of the issues on the BRAC report as opposed to the truth.

Thank you for this opportunity to point out the factual errors in the BRAC report. Our appearance before your Commission today has three objectives. One, to establish doubt about the Hawthorne data; two, to persuade your Commission to

evaluate factual data about Hawthorne and make a site visit; and three, to remove Hawthorne from the BRAC list based on our military value.

We believe the decision to close Hawthorne should be made on sound facts and real data, not incorrect and skewed information. To establish our case for reevaluating Hawthorne, we will ask five questions.

The first question is can the American taxpayer and our military really afford the expense and time to recreate the storage capabilities in Hawthorne and lose our existing established facilities.

The BRAC report stated it will cost \$180 million to empty Hawthorne and relocate the munitions to another base. We have seen the real costs. It will be about \$1.3 billion. In 2003 the Army's conventional munitions storage in the United States was near to 70 percent full, with large quantities of munitions still located overseas. The military plans to consolidate about 600,000 tons back into the state site.

The 600,000 tons will go into the U.S. depot system by 2007. The existing depot system will be at 98 percent capacity at that time. That

includes the existing 10 million square feet in Hawthorne today.

BRAC recommendations do not take into consideration elimination of this 10 million square feet of storage and relocating 200,000 tons of the material to Hawthorne. They will need to build an additional thousand magazines at a cost of \$500 million to absorb everything Hawthorne has.

Hawthorne has a full complement of conventional munitions for recycling munitions. We have a plasma system, a washout system, and decontamination capability. Tooele does not have the wide variety of processes available in Hawthorne. To recreate this capability at Tooele will cost between 157 and \$340 million.

It will take about seven years to permit and construct all these new facilities. The state of Utah EPA may not allow any more air quality permits. Additionally the community of Tooele has twice forced the Army to interrupt construction of new demil facilities. The cost of time and permitting could cost a lot to the American taxpayer.

Strategically slide seven, Hawthorne can provide overnight shipping to West Coast ports and training facilities. Before the BRAC announcement,

the Navy was preparing to strategically locate 200,000 tons of munitions to service the Pacific area groups.

The Navy and Corps of Engineers have signed a memorandum of agreement with the Army to process scrap target -- target scrap from bombing ranges. This solves critical state and federal environmental issues. Hawthorne is working with the Defense Logistics Agency to become the national repository for defense mercury stockpiles.

Our second question, why exactly was BRAC protocol set aside in the military judgment used in our case instead of military value. If you'll read the minutes, you'll find had a discussion on Hawthorne did not discuss military value, it discussed military judgment.

Moving Hawthorne mission capability to Tooele, it will go from an installation of high military value to one of low military value. Hawthorne is ranked second out of 23 storage and distribution depots, first out of 13 facilities with demil capability, and first of all installations for future military value.

Hawthorne demonstrates its multifunctional joint services value by supporting the Navy Undersea

Warfare Center and Marine Corps Munitions and Weapons Testing Facility. In the last three years, Hawthorne has had a contingent of Navy SEALs for predeployment training. Hawthorne is one of the few locations in the United States where they can practice live fire.

The Marine Cypress practice range is the only high angle firing range in the United States. The Army Rangers use Hawthorne for their high altitude desert training and have been working with the base to withdraw an additional 127,000 acres for live fire convoy practice.

How can the military replace 230 square miles and 10 million square feet of storage? How is the BRAC executive order to avoid civilian encroachment accomplished by moving from an unencroached base in Hawthorne to somewhere where they're encroached? Mineral County is 98 percent federally managed.

Our third question, was Hawthorne Army Depot preselected to be closed then the data manipulated to fit the scenario? By closing Hawthorne the military can reduce a large footprint of infrastructure and buildings from the property.

My fourth question, was the Hawthorne Army Depot data manipulated, why were 199 employees used

instead of the real number which was submitted as 565? It's under tab seven in your book.

Why was the Hawthorne job loss included in the Reno metro areas two hours away. The real impact of the report says we're .1 percent. The real impact is 27 percent primary jobs. It's going to be over 5 percent when you consider the secondary jobs.

The fifth question is why were the real economic impacts of Mineral County not considered? Faulty data is our answer right now. 789 jobs out of the total 1,800 jobs located in Hawthorne will be gone.

The base has our highest paying jobs. The remaining jobs are service-oriented lower paying jobs. The impacts are far reaching to a small isolated economy. When people lose their jobs, they leave. When we lose this human asset, we can't redevelop. The cost of running local government will fall on a remaining population of low-income individuals.

The impacts in my town, a \$6 million school bond that we default on. Potential loss of a hospital in Western Central Nevada. The school with students as well as our teachers, the higher paid employees. A reduced tax base. Hawthorne becomes a ghost town, and that's not acceptable to us.

We don't mind losing the fight fair and square. But we do mind when the data was screwed. We understand that the depot is not of any kind of military value. We would understand if the military could ever give us a bad recommendation, but all of the reports show Hawthorne as a high military value base.

We have capabilities ranging from logistics and munitions recycling to joint services training. We are a future asset in the Department of Defense. We even look like the Middle East.

Based upon facts that are not manipulated, your Commission must reevaluate the data please and please come make a site visit and see what we're talking about about our capabilities. We can't help but believe that, after reevaluating real data, that you will come and you will take us off the BRAC list. You guys are our only hope. Hawthorne is a very patriotic place and we invite you to come and visit.

COMMISSIONER HANSEN: Thank you. Senator McGinness.

SENATOR MCGINNESS: Thank you, Mr. Chairman, Commissioners and staff. I guess I was chosen to bat cleanup because the governor stole most of my testimony. But I was a member of the 152nd

Tactical Reconnaissance Group. I attended grade school up in where Hawthorne is located and now represent them in the Nevada Senate.

And for your record I am Mike McGinness representing all of Mineral County and the Hawthorne Army Depot. And I appreciate your attention to our remarks.

As you probably know, I'm very concerned about the proposed action to close Hawthorne. It has been a superb provider of military objectives for 75 years. The community has mortgaged its future as a weapons depot. It's a unique location. It's surrounded by public lands and controlled by the Bureau of Land Management and the United States Forest Service.

There is absolutely no threat of encroachment by the town of Hawthorne. Other depots that would have to absorb Hawthorne's mission do not enjoy such encroachment relief. I was present at the ribbon cutting in a multimillion dollar state of the art missile facility less than two years ago. If Hawthorne is closed, they will too.

The Navy torpedo and line maintenance detachment and battery recycling and the Marine Corps weapons test attachment will need a new home. The

other joint military activities in the way of Hawthorne will also need a new home. I ask that you take the time to investigate these inconsistencies and closure recommendations.

I understand the vast amount of information you were asked to deliberate. This isn't the only community that is asking for a second look.

I am concerned that the devastation to the town of Hawthorne in Mineral County will not be given careful consideration because of the misinformation provided to the Commission.

So, if you would please give the town of Hawthorne the opportunity to hear, as Paul Harvey would say, the rest of the story by making a site visit, we would appreciate the opportunity to show you. I'm happy to be the cleanup hitter. I appreciate your attention.

COMMISSIONER HANSEN: Thank you. Governor. For our review, we will have questions now.

COMMISSIONER BILBRAY: Since I have to recuse myself from this on advice of legal counsel, I would like Commissioner Coyle to speak.

COMMISSIONER COYLE: Yeah, I will be visiting Mr. Herbert about when that would be. Part

of the problem is we're all so booked right now. I believe sometime around July we can arrange a visit and I'll work with him on that. And I'll have a chance to ask you more questions then.

But for now I notice in one of the charts in the book that especially 2000, 2001, 2002, the receiving tons has dropped nearly to zero. And, obviously, if that would keep up, you're not going to ship anything out.

Can anybody explain. I can wait on this question until I get there, but can anybody explain why.

MS. HARTMAN: I can't answer the question as well as the base commander. I think part of the storage has been moved to Tooele. They're full now. I mean, as far as receiving capacity, we are always able to. If they're not sending there, we don't have anything to receive.

COMMISSIONER COYLE: Thank you.

COMMISSIONER HANSEN: Let me call upon our legal counsel for a question he may have for the governor.

MR. HAGUE: You've given us a legal opinion, a two or three-page piece in what you have provided. We got that and very much appreciate it

about ten days ago as a result of a site visit.

So my question would be has anything further developed? I think that came out of your shop, General. Has anything further developed on the legal review of that matter? That would be that question. And then, to the Governor, do you anticipate your Attorney General or other legal counsel for the state might take that issue and express an opinion about it? I'm talking for National Guard is what I'm talking about.

GOVERNOR GUINN: Mr. Hagan, no. I have not discussed taking us any further whatsoever. I thought the employment thing which was brought to my attention was presented to you for consideration.

At this point, certainly we're a part of the process as I said to you earlier. But we did think it was very important for us to provide you with that. If something comes back to us to indicate we had a recent interpretation, that's what we're looking for.

If not, we would like for those of you who have to make those type of decisions to give us an opportunity to have all the facts. Maybe you'll look at all the other facts to at least strengthen our position that we're taking here today.

But, if you're asking me, I am not the type of person nor do I think those of us in Nevada would say we have a constitutional issue at this point. That's not our objective. We think it's important for us to point out such a serious area that can be rectified with explanations from reasonable people. We would accept that.

COMMISSIONER HANSEN: Thank you.
Commissioner Hill.

COMMISSIONER HILL: I have a couple of questions. One to General Kirkland. You said in your statement that the Air Force told you that the Air Force tags were intentionally left out of the process. Did they explain to you why the tags were specifically left out?

BRIEFING GENERAL KIRKLAND: Well, sir, I have actually been a tag for about two weeks now. And Mr. Vanderhoof was formerly Major General Vanderhoof, the major general. So you can probably ask him that question.

MR. VANDERHOOF: Am I on. I am. Major General Heckman who I believe testified in front of this Commission, we asked him that question there because the Army didn't include all of the adjutants general. We were part of the process. And so you're

not hearing so much from the Army National Guard because we were part of the process.

We asked him why we were not included on the air side. He hesitated a moment, and his exact words were you were intentionally excluded. And he had no response as to why we were intentionally excluded. But not paraphrasing, I'm giving you his exact words to us.

COMMISSIONER HILL: I'd like to have a little bit longer discussion of the Hawthorne issue that said that, in the case of Hawthorne, you were not applied a military value. Unlike anybody else, you were applied military judgment.

MS. HARTMAN: Exactly. It's in the minutes. I think it's in the packet. Essentially somewhere in the discussion when they were discussing Hawthorne, they switched from discussion of military value. I believe because military value kept us off the list and switched to military judgment.

And, since that's not in the BRAC objective, we're concerned about a failure to use military value because we have a high military value by their own assessments.

COMMISSIONER HILL: Those are all

interesting points and we'll have our staff look into them specifically. I would like to have an answer.

COMMISSIONER HANSEN: Any questions?

I would like to ask what type of material are you shipping or propose shipping from Hawthorne to Tooele?

MS. HARTMAN: Everything that we've got

COMMISSIONER HANSEN: Toxic material, CB agents, things such as that?

MS. HARTMAN: I don't think we have anything like that.

COMMISSIONER HANSEN: What is it?

GOVERNOR GUINN: It's mostly ammunition.

COMMISSIONER HANSEN: Governor, we'll turn to you.

GOVERNOR GUINN: I would just like to thank you for your time and consideration. We know it's difficult to provide us just a few minutes. I know that your staff would be more than happy to come out and meet with us and we'll be happy to meet with them to give them any data that we have related to the view that is not factual, I would like to clarify that, to answer questions because we would be more than pleased to do that.

And I think with the visitation we would

then bring back to you a very vivid description of encroachment. We all know, to put in any kind of extensions of freeways that are much needed in urban areas or in populated areas, you must go through the environmental studies that are extensive and costly for years.

And so we know that it's important, if you're going to continue to store this material, the solution is not to relocate and build new facilities. There was one picture on the video there that showed a number of little buildings that were all around there. Those are all filled with ammunition.

And, if you move it to Tooele or anyplace else, you're closer to a population and they're going to object to it. We know what objections mean, we are in the center of a hurricane of Yucca Mountain. And we know what people don't want across this country.

And, when this is found out and the openness and they start seeing how it's going to be and what you're going to have to spend to put it there with encroachment added to it, I think it will be devastating for all of us. We assure you that there is no encroachment issue in the area of Hawthorne.

My point to you, Commissioners, is to say look at that and pay attention like I think you have when you read that statement we gave you, our letter. And we're really trying to say to you look at that, but look at all these other elements. If you'll do that, you will see what we're talking about.

I know, when you come to visit, you will see what it would take to replace this facility and just how much money it would take and whether or not you can get it through a cultural process. These are the kinds of things that we would ask of your staff.

If you do that, it will support the theory that we're patriotic, we're good Americans, we have been a staple of military with the Air Force base since early 1950s. We played a big part certainly in all wars past and all we have great training facilities.

But we know that it will take years to come to just get all of the ordnance off of the land that we don't own. The government owns it, but our people are exposed to it and every day millions of tourists are exposed to it. I think they do a great job with the facilities that they have and the trained staff that they have. They are very expert in this field.

We have not had a lot of issues in this area, to the best of my knowledge, in the last 50 years. And that's pretty phenomenal. Fifty years ago the way they got rid of this material is they dumped it in our lakes which are nearby. And every day they pulled out tons of material. So we know that it's a serious situation.

So, if you would do that, that's all we could ask you. We're not here to try to trip up anybody from a legal standpoint. We just want to point out the areas of concern. And hopefully that will show you our judgment is good and that we're with the process, what we think needs to be done at least in an intellectual way and a way that you would feel good about once you make your decision and we could accept it. That's what we're really looking for.

I appreciate your time and effort today. I know you have a lot of places to go.

COMMISSIONER NEWTON: Mr. Chairman, thank you. I'm sorry. I said I didn't have a question and I don't. But I do want to make a statement to the governor and the rest of your team to say thank you very, very much for bringing this material to us.

I do want to make one point, that because

we put a lot of emphasis on military value. And I just want Ms. Hartman to know and appreciate that. Right from the beginning of this Commission, we have put a lot of emphasis on the people side, on what we have to make the decision on; because, as our chairman would say, it's people who really bring out the Department of Defense as well as this entire process. So I just felt compelled to say that. So thank you very, very much.

COMMISSIONER HANSEN: I appreciate those comments. Let me just say I know you folks had to come a long way and we appreciate your being here and there was excellent testimony. I hope you would be amenable to the idea that we may need further things and we could write to you.

This basically concludes the Clovis regional hearing of the Defense Base Closure and Realignment Commission. I want to thank all the witnesses who testified today. You have brought us very thoughtful and valuable information. And I assure you, your statements will be given careful consideration by the Commission members as we reach our decisions.

I also want to thank all the elected officials, the community members who assisted us in

our preparation for this hearing. In particular I would like to thank Senator Domenici and his staff for their assistance in obtaining and setting up this fine site for the meeting today.

Finally I would like to thank the citizens of the community represented here today for their service for so many years making us feel welcome and to have us in your town. It is that spirit that makes America great. This hearing is now adjourned.

(At 12:10 p.m. the hearing was adjourned.)

UNCERTIFIED