

Congress of the United States
Washington, DC 20515

June 10, 2005

Secretary Anthony Principi
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Ste. 600
Arlington, VA 22202



Dear Mr. Chairman,

We would like to thank you for meeting with us on May 27th to discuss Portsmouth Naval Shipyard, Brunswick Naval Air Station and DFAS Limestone. During our meeting, you raised the issue of capacity at Norfolk Naval Shipyard and the ability of Norfolk Naval Shipyard to handle the increased workload created by the closure of Portsmouth Naval Shipyard.

As we stated, and you later learned during your visit to Portsmouth, Norfolk Naval Shipyard does not have excess capacity to effectively take on the increased workload that would result from the recommended closing of Portsmouth Naval Shipyard. We would like to bring to your attention the attached information which clearly demonstrates that this is the case. As you can see, the addition of 484,000 mandays to FY07 puts Norfolk's total workload over the maximum executable workload as reported by Norfolk in their BRAC data call submittals. Norfolk would be unable to hire or borrow enough people in the short time period to execute the workload. The result will be extensive rescheduling and delays for attack submarine depot overhauls.

Again, we would like to thank you for taking time out of you busy schedule to meet with us to discuss the Portsmouth Naval Shipyard and for personally visiting the yard. We hope that you find the attached information useful and we look forward to continuing to work with you for the duration of the BRAC process.

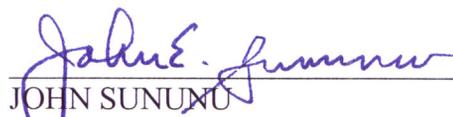
Sincerely,



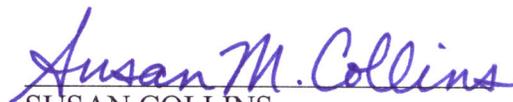
JUDD GREGG
United States Senator



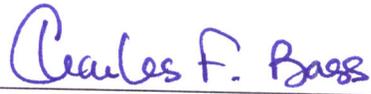
OLYMPIA SNOWE
United States Senator



JOHN SUNUNU
United States Senator



SUSAN COLLINS
United States Senator



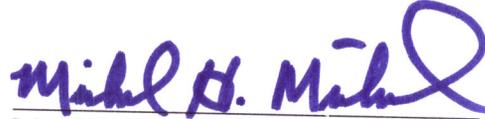
CHARLES BASS
United States Representative



THOMAS ALLEN
United States Representative



JEB BRADLEY
United States Representative



MICHAEL MICHAUD
United States Representative



Portsmouth Dry Dock Usage with May 2005 Workload

PORTSMOUTH NAVAL SHIPYARD MAY 2005 WORKLOAD

DRYDOCK REPORT

DRY DOCK	P06			P07			P08			P09			P10			P11			P12			P13			P14																										
	Q01	Q02	Q03	Q04	Q05	Q06	Q07	Q08	Q09	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30																					
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	SSN 0763 DNP																																																		
2	SSN 0699 RF																														SSN 0716 RF			SSN 0709 RF			SSN 0751 EOH			SSN 0021 EDSR			SSN 0022 EDSR			NR 0001 RF					
3	SSN 0765 DNP																														SSN 0758 DNP			SSN 0724 EOH			SSN 0722 EOH			SSN 0714 EDSR			SSN 0775 EDSR			SSN 0757 EOH					
	SSN 0720 EOH																																																		
	P06			P06			P07			P08			P09			P10			P11			P12			P13			P14																							
	Q01	Q02	Q03	Q04	Q05	Q06	Q07	Q08	Q09	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30																					

**BRAC Workload Guidance directed 80% of
Portsmouth work to Norfolk and 20% to Puget**



Norfolk Dry Dock Usage With May 2005 Workload

DRYDOCK REPORT

DRY DOCK	FY05				FY06				FY07				FY08				FY09				FY10				FY11				FY12				FY13				FY14											
	QTR1	QTR2	QTR3	QTR4																																												
2																																																



Dry Dock Capacity Conclusions

- Norfolk has conflicts with taking all Portsmouth work without delaying or rescheduling planned maintenance periods
- No apparent loading included for Dry Dock certification/maintenance periods
- No obvious capacity for 6 average emergent east coast dockings
- Navy has not identified where all SRA work will be accomplished (13 availabilities scheduled)
- Dry Dock No. 4 at Norfolk will be the only remaining Naval Shipyard Virginia Class dock as Dry Dock No. 8 is full with carriers/amphibians
- COBRA Analysis is not consistent with BRAC data submission
 - Workload appears to have shifted
 - Personnel appear to be relocated to other activities
- Dry Dock schedule assumes excessive risk





Analysis of COBRA Capacity and Usage Data

Assuming capacity data is correct, then the following conclusions can be drawn:

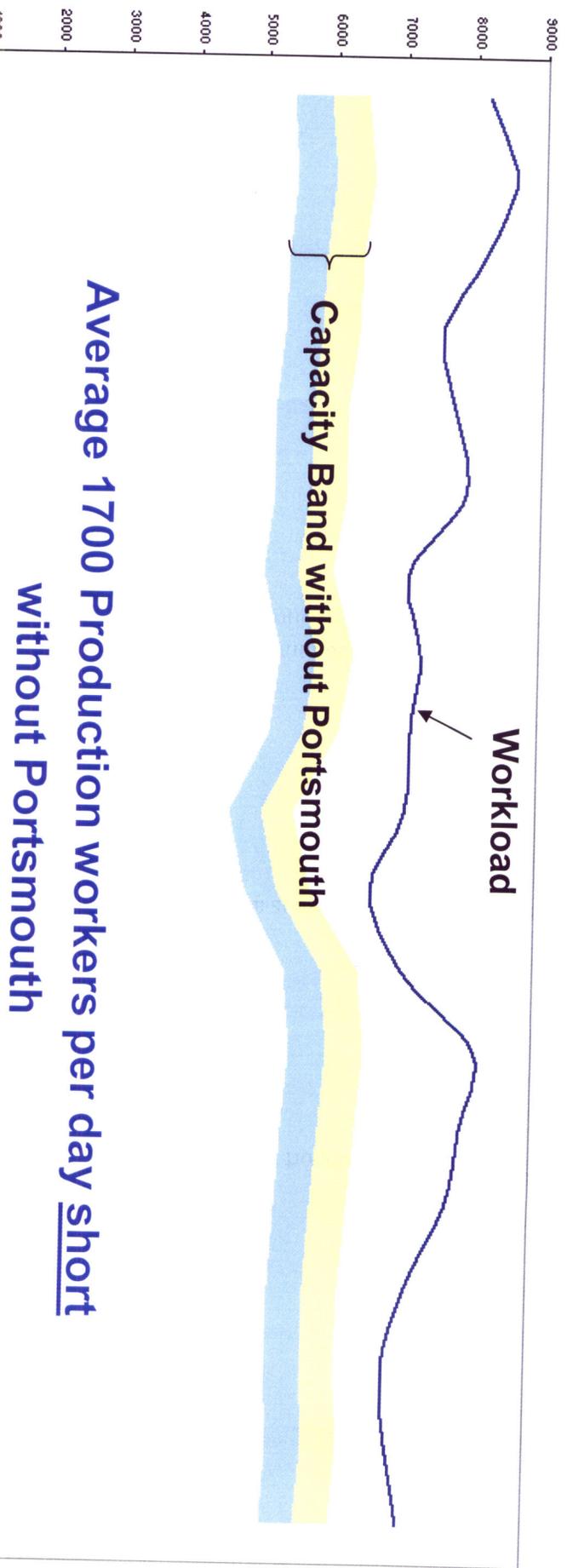
- If Portsmouth closes, “current usage” will be more than “current capacity”, and within 5% of “maximum capacity”
- Navy historically underestimates workload and financial impact
- As workload grows (at the point of execution), the Navy may not have the public sector capacity to react





Resource Capacity (March 05 - March 06)

Corporate Production Resources Team & SURGE – C4 Report



Portsmouth Naval Shipyard – Efficiency Through Innovation

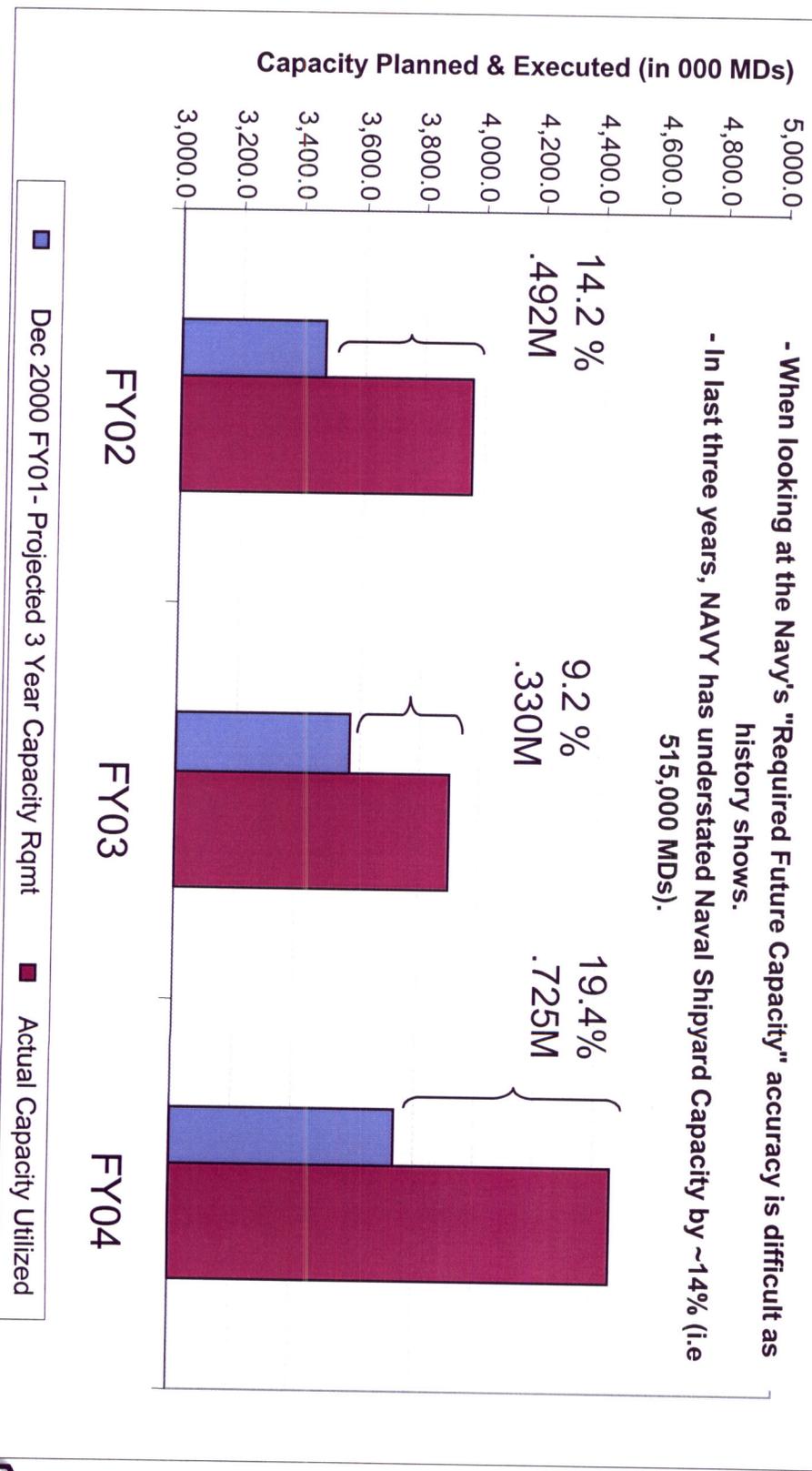




NAVY Historically UNDER-ESTIMATES Workload

History of Capacity Planning in Naval Shipyards

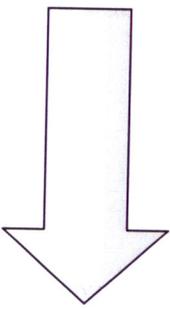
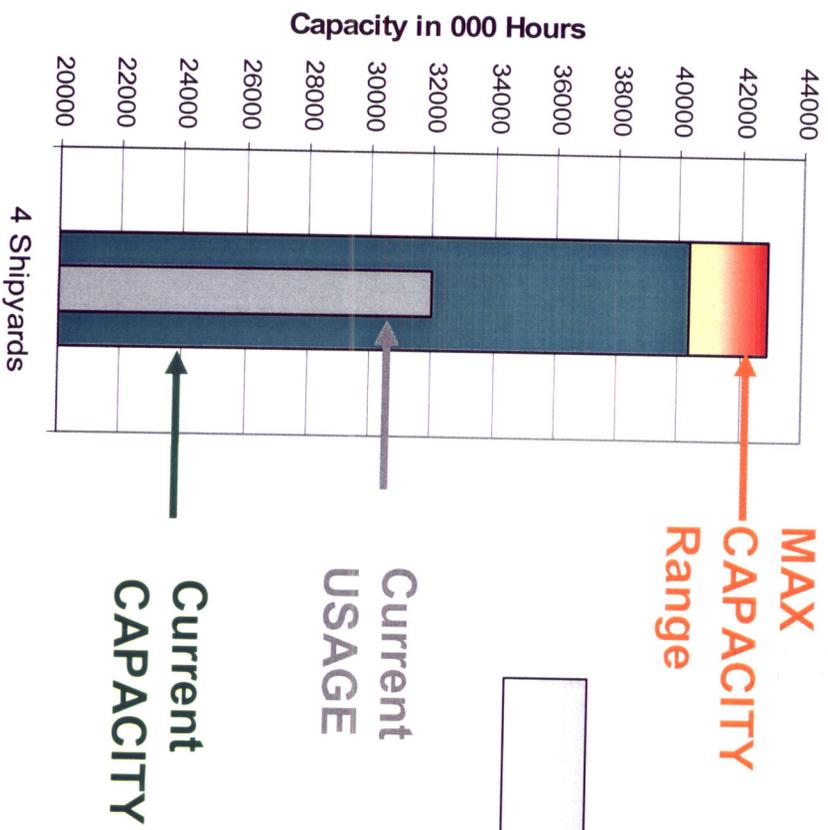
- When looking at the Navy's "Required Future Capacity" accuracy is difficult as history shows.
- In last three years, NAVY has understated Naval Shipyard Capacity by ~14% (i.e 515,000 MDs).



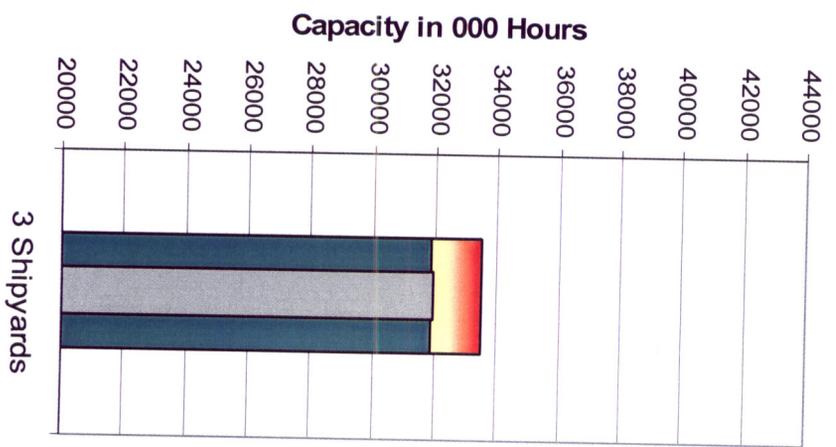


COBRA Capacity Data

Baseline Data



DOD Recommendation



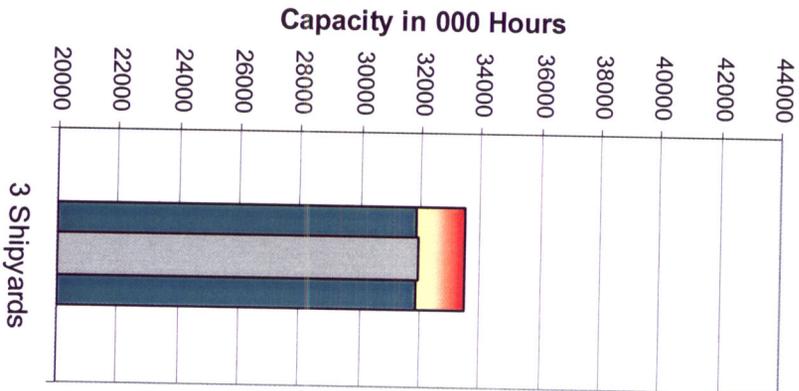
Portsmouth Naval Shipyard – Efficiency Through Innovation



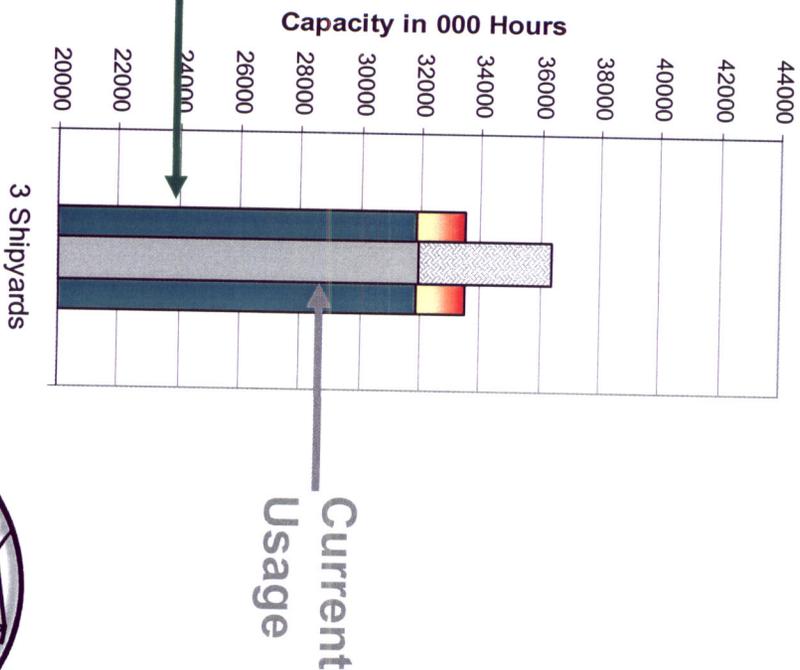


COBRA Capacity Data

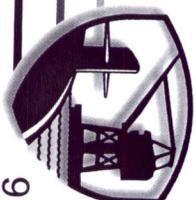
DOD Recommendation



DOD Recommendation
With Historical
Growth Factor Applied



Portsmouth Naval Shipyard – Efficiency Through Innovation

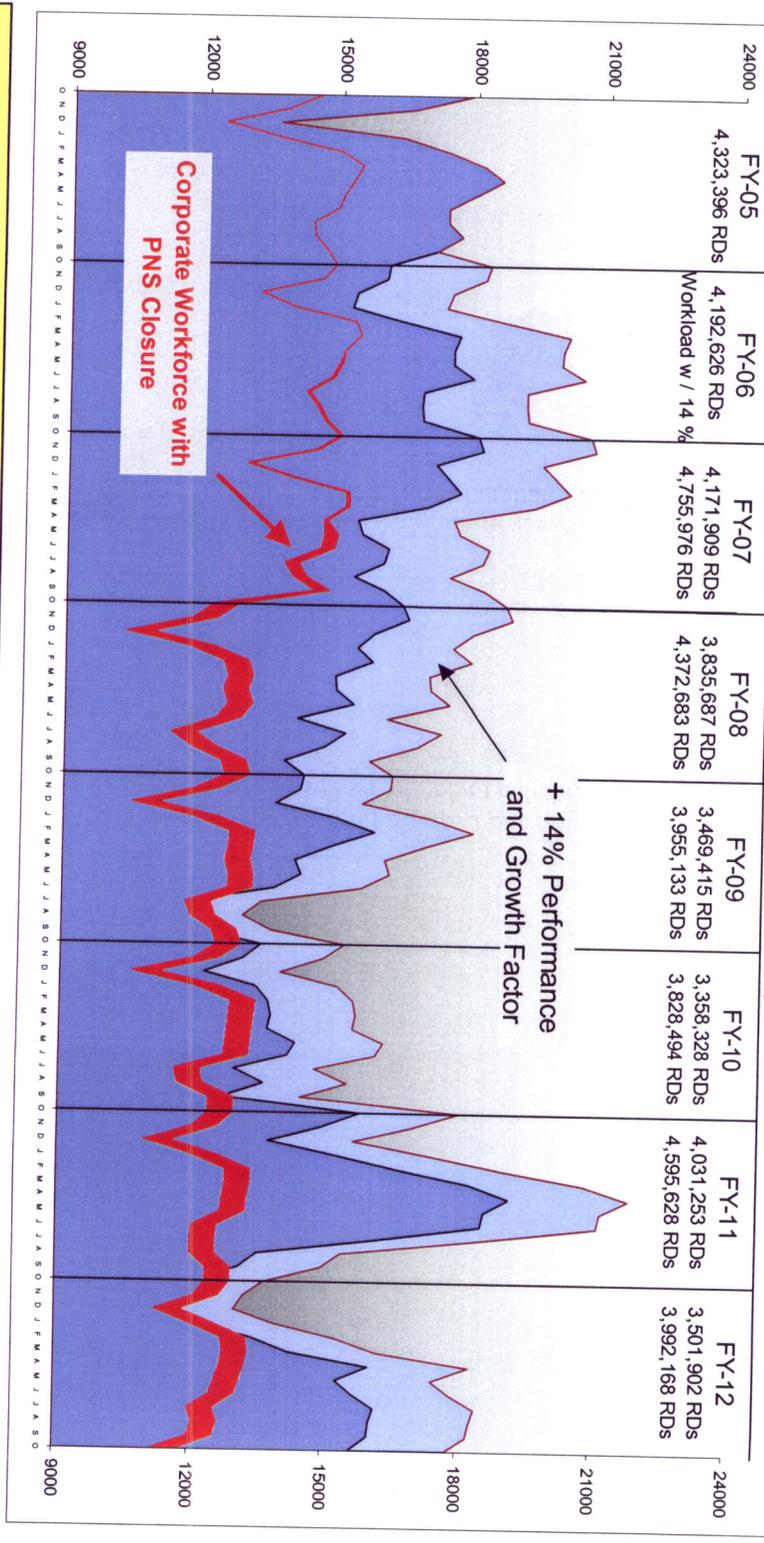




Workload of Record

March 2005 WARR BASE WORKLOAD

All Public Yards
Shipyard LayerGraph – Mar 2005
Total Direct Workload
Add 14% Growth Base on Historical Capacity Required



This slides applies to Criteria No. 1

Portsmouth Naval Shipyard – Efficiency Through Innovation

