



INFRASTRUCTURE ANALYSIS TEAM

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IAT/VJM
22 April 2005

MEMORANDUM FOR THE RECORD

Subj: MEETING WITH LIEUTENANT GOVERNOR OF INDIANA

Encl: (1) House Enrolled Act No. 1022, Indiana General Assembly
(2) Handout, "Naval Support Activity Crane: Best Value Defense Installation for the 21st Century"
(3) Booklet, "NSA Crane, Model Defense Technical Installation"
(4) Presentation, "NSA Crane, Model Defense Technical Installation, Evolving with the Warfighter"

1. The Honorable BJ Penn, Assistant Secretary of the Navy (Installations and Environment), met at 1032 on 17 March 2005 with Ms. Becky Skillman, Lieutenant Governor of Indiana, concerning possible BRAC action to close or realign Naval Support Activity, Crane, IN, and/or its major tenants, Naval Surface Warfare Center Crane (NSWC) and the Crane Army Ammunition Activity (CAAA). The meeting took place in Room 4E523 of the Pentagon. Also attending were: Mr. John W. Clark, Senior Advisor-Economic Growth to the Governor of Indiana, Mr. Peter Murphy, and Mr. Jim Lariviere. In addition, CAPT John Cohoon, USN, Commander, Navy Installations Command; CAPT James D. Heffernan, USN, OASN (I&E); and LCDR Vincent J. Moore, JAGC, USNR, ODASN (IS&A) were also present.

2. Ms. Skillman informed the Assistant Secretary that the State of Indiana has a great deal of interest in keeping NSA Crane operating and viable, and is also interested in expanding operations there. She stated that the economy of southern Indiana is highly dependent on NSA Crane, which is responsible for a huge percentage of direct employment. She advised the Assistant Secretary that the community strongly supports the continued operation of NSA Crane. She also stated that NSA Crane is a very important asset to the Department of Defense, particularly in the areas of munitions and electronics. It is a large-scale industrial and technical facility.

3. Ms. Skillman advised The Assistant Secretary that the State had taken steps to ensure that NSA Crane can remain a viable installation in the future. She provided enclosure (2), a copy of an Act passed unanimously by the Indiana General Assembly,

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which protects NSA Crane from encroachment by creating a special zoning scheme for land surrounding the installation and providing for civil immunity within that area for against actions noise and telecommunications interference.

4. Ms. Skillman's group presented the Assistant Secretary with enclosures (2), (3), and (4), which highlight NSA Crane's valuable attributes, as well as its expertise in the areas of ordnance, electronics, electronic warfare, pyrotechnics, batteries, force protection, and other areas crucial to national defense. They advised the Assistant Secretary that the State was working on the development of an urban training center at Crane in conjunction with the development of the Purdue University Institute of Homeland Security.

5. The Assistant Secretary thanked the Ms. Skillman and her group for their materials and advised them that their submissions would be provided to the Navy BRAC Office. The Assistant Secretary advised the group that recommendations for closure or realignment had not yet been developed. He also noted that some installations and regions would gain activities from the BRAC process. The Assistant Secretary highlighted the transformational objectives of this BRAC round, explaining that the BRAC process will comport with law and statute. He described the process as a matter of focusing on the 20 year Force Structure Plan (FSP), establishing the inventory required to support the FSP, determining current inventory, and reducing excess capacity. The Assistant Secretary emphasized that there are no preconceived lists of bases for closure or realignment. He stated DON policy of collecting detailed, certified data, to allow for decisions based solely on the selection criteria that treats all bases equally. The Assistant Secretary advised them that the Navy will consider community input and retain any information received; however, community information is not included as part of the certified data for decision-making.

6. The meeting concluded at 1053.


VINCENT J. MOORE
LCDR, JAGC, USNR
Recorder, IAT

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Dated 22 April 05

Enclosures (1), (3), and (4) are identical to enclosures
(2), (4), and (5), respectively, of MM-0555 "MEETING WITH
LIEUTENANT GOVERNOR OF INDIANA" dated 21 March 05

Naval Support Activity, Crane: Best Value Defense Installation for the 21st Century

Crane embodies **mission** and **physical** capabilities that make it a unique, high military value, Defense Technical & Industrial installation to support the 21st century's transformed defense forces and the global war on terrorism. Crane is an excellent choice for consolidation of like mission elements across the Defense Department.

Mission:

Crane's technical capabilities support all services: Major Navy and Army tenants at Crane perform synergistic technical and industrial support for weapons, munitions and pyrotechnic products for all services. Crane Navy also provides technical and industrial support for Navy, Marine Corps and Air Force electronic and electronic warfare systems.

Crane has an extraordinarily diverse capability: Crane's expertise extends to weapons, munitions, pyrotechnics, electronics, and electronic warfare technologies and products. Its functional capability includes development, test, prototype, acquisition or production, in-service support, maintenance, overhaul and upgrade. Its facilities include electronic, microwave and ordnance: test and analytical laboratories; test ranges; modeling and simulation laboratories; and, production, maintenance and depot overhaul lines. Crane products are part of every Navy airplane, ship, submarine and SEAL team. They are also with many Air Force planes, Army & Marine Corps vehicles and Special Operating Force Command Units. Crane is a major munitions storage and out-load facility.

Crane is especially relevant to the Global War on Terror: Crane, having a total technical, industrial, supply and logistics capability is extremely agile and responsive to rapidly changing warfighter requirements. Crane's expertise in weapons, ordnance, electronics and electronic warfare is particularly suited to meet USSOCOM, SPECWARCOM and Marine Corps demands. Crane receipts have increased 66% since 9/11/01, far exceeding other technical installations. Crane delivered \$750M worth of products directly to the warfighter in 2004. Crane has delivered 100s of millions of pounds of munitions since 9/11.

Crane is a "best buy": Through continued aggressive business and process re-engineering, and enhanced by its location in a low cost part of the country, Crane Navy and Army have extremely low labor rates. Crane won the DoD "Installation of the Year" award in 2002, and "Value Engineering" award in 2004.

Physical:

Crane has no encroachment: Crane's mission including ordnance operations and disposal as well as high power microwave emissions is not impacted at all by the surrounding community, nor is the community disturbed at all by the operations at Crane. In addition, Crane's ordnance disposal through open-air detonation and burning are fully permitted. No ordnance safety arc extends out of Crane's fence line.

Crane has an ideal location for a defense installation: Crane is located in a sparsely populated area of southern Indiana. It is far from potential terrorist targets. However, Crane enjoys excellent interstate, rail, and major airport transportation in close proximity.

Crane's size will allow major expansion in mission: Crane is one of the largest Defense installations with some 100 square miles or 63,000 acres.

Crane has superb facilities: Crane has some 3,000 buildings including 1600 explosive magazines constituting 20% of the Nation's capacity. Millions of square feet are available for operations and storage. The plant replacement value of Crane's facilities exceeds \$3.3B. An aggressive military construction program, including joint Army-Navy MILCON, has continually increased facility capability.

Crane has extremely strong community support: Crane has enormous impact on its community. It constitutes 37% of all of the wages in its host county. Crane employees are major contributors of time and resources in the small towns surrounding the installation. The entire State is proud to host such a superb Defense installation. This is demonstrated by the unanimous joint resolutions of support by the State legislation and the 2005 Military Base Protection Act insuring future encroachment free operations.

An Installation Comparison for Defense Investment
(Navy peers + 2 Army installations with like technologies & functions)

Installation	Size (Acres X 1,000)	Encroached	Capability Diversity	Operating Cost	Joint Tenants & Clients	Plant Value (\$B)
NSWC Crane, IN	63	NO	1	1	YES	3.3
NAWC China Lake, CA	1100	NO	3	5	NO	3.9
Picatinny, NJ	6.4	YES	2	4	YES	1.7
NSWC Dahlgren, VA	4.3	Potential	1	2	NO	0.9
SSC San Diego, CA	1.5	Potential	3	4	NO	1.8
NSWC Pax River, MD	13.8	YES	2	4	NO	2.9
NSWC Panama City, FL	1.1**	Potential	5	3	NO	0.3
Tobyhanna, PA	1.3*	Potential*	3	3	YES	0.9
NUWC Keyport, WA	2.2	Potential	4	3	NO	0.6
NUWC Newport, RI	1.2	Potential	3	4	NO	0.5
NAWC Lakehurst, NJ	7.4	YES	5	3	NO	1.3
NSWC Indian Head, MD	3.4	YES	4	4	YES	1.7
NSWC Pt Hueneme, CA	6.3	YES	4	2	NO	0.3

* Large part of facility preserved as wetlands

** Gulf is also available for mission

The above matrix compares those attributes that should have significant influence on Defense Department decisions as it looks at which bases to consolidate its work into. An explanation of the columns:

Size: The number of acres that constitute the installation. Obviously, the larger the acreage the more expansion room is available to accept increased mission.

Encroached: Whether any mission curtailment occurs now, and potentially, should the same mix of mission functions increase significantly in the future. Encroachment is caused by increased population density surrounding the base, or air traffic in air space in proximity to the installation.

Capability Diversity: The mix of technologies, functions, skills, facilities, and life cycle support capabilities of an installation. The most diverse is given a 1 and provides a one stop shop for the warfighter as well as the capability of absorbing almost any additional mission type. The predominantly single mission focused installations are given 5's.

Cost: The relative labor costs of the installations' workforce. The lowest cost is given a 1, the highest a 5.

Joint Tenants & Clients: A yes is given to those installations that have tenants from multiple services or provide significant support to multiple services.

Plant Value: An estimate of the replacement plant value of the installation, not including land value. This looks at the relative investment by the Defense Department in each installation.

The installations are listed in order of potential future value based on an aggregation of these strategic factors. For example, the first installation, Crane: has an extremely diverse technical and industrial capability across most defense critical technologies; has kept its costs the lowest in its peer group; has one of the highest DoD investments; and, has the size, with no encroachment, to absorb major expansions in mission. While one can argue in the details of each assigned value, the overall scores and ranking provide a high level measure of installation current and future value to the Department of Defense.