

BRAC Commission

DCN: 5123

JUL 19 2005

STATE OF CONNECTICUT

Received

UNITED STATES CONGRESS



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July 18, 2005

The Honorable Samuel K. Skinner
Commissioner
2005 Base Realignment and Closure Commission
2521 Jefferson Davis Highway
Arlington, VA 22202

Dear Commissioner Skinner:

At the July 6 regional hearing in Boston, you asked our Connecticut team about potential economic savings associated with a possible relocation of submarines from Norfolk to Submarine Base New London and Kings Bay.

Gabe Stern, our lead cost/savings analyst, responded that Connecticut has closely reviewed BRAC Scenario DON-0004. This scenario postulated the movement of all 11 submarines from Norfolk to New London, and consolidation of the Norfolk Shore Intermediate Maintenance Activity with the Naval Submarine Support Facility at New London. The COBRA analysis showed one-time cost of \$144 million and a 2025 net present value (NPV) cost of \$274.4 million. It concluded that recurring costs would always outweigh recurring savings.

While we have not attempted to calculate costs and savings associated with a movement of SSNs from Norfolk to New London and Kings Bay, we have made two sets of revisions to the DON-0004 COBRA analysis to compensate for what we consider improper assumptions. As promised by Mr. Stern at the hearing, we are hereby forwarding the results of these revisions for consideration by you and Commission staff.

Revision 1. Our Revision 1 eliminates \$95 million in one-time costs for construction of a new drydock (\$93 million) and pier repair costs (\$2 million). As John

Markowicz of the Connecticut team told you at the hearing, the DON-0004 COBRA assumed the need for a floating drydock at New London. However, the Navy overlooked the availability of a graving dock at nearby Electric Boat, currently under repair.

This revision also:

- Modifies the schedule for elimination of enlisted billets at Norfolk to match the actual movement of SSNs.
- Reduces the number of Electric Boat contractors added at New London to match the number of support positions being eliminated at Norfolk. In so doing, it reflects the documented fact that one Electric Boat contractor can replace 1.6 military personnel.

Revision 1 shows a one-time cost of only \$49 million, with 2025 NPV savings of \$55.8 million. The payback period would be only four years, with break-even occurring in 2015.

Revision 2. This revision takes into account the adjustments in Revision 1. In addition, it (i) reduces the number of enlisted transfers to New London by 136 billets not currently filled in Norfolk; (ii) increases the number of eliminated positions at Norfolk to reflect currently unfilled billets that would be eliminated in a relocation.

Under this scenario, the one-time cost remains at \$49 million. However, the 2025 savings increase dramatically to \$229.8 million. The payback period is immediate. This is the scenario alluded to by Mr. Stern in his response to your question, where he referenced savings of more than \$200 million by 2025.

Only the COBRA summaries are included as hard copy with this letter. The accompanying CD has full data runs on both Connecticut revisions.

We are copying Chairman Principi on this response since it is pertinent to his question about the desirability of dispersing forces and not concentrating them in one location.

Should you or Chairman Principi have questions or would like additional information, the points of contact are Phil Dukes in the Governor's office (860-524-7340) or Neal Orringer in Sen. Dodd's office (202-224-2823). Should the Commission staff have questions about details in the COBRA analyses, these can be addressed directly to Mr. Stern (860-889-4088).

Thank you for your consideration.

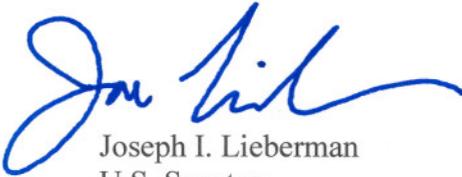
Sincerely,



M. Jodi Rell
Governor



Christopher J. Dodd
U.S. Senator



Joseph I. Lieberman
U.S. Senator



Rob Simmons
Member of Congress

SUMMARY.RPT

COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 1/2
 Data As Of 7/14/2005 1:57:36 PM, Report Created 7/14/2005

1:58:24 PM

Department : Navy
 Scenario File : \\files\users\Brian\My Documents\BRAC 2005\Norfolk to
 NLON\Navy\FINAL NON-CR DON-0004 20 APR 05.CBR
 Option Pkg Name: DON-004 Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New
 London, CT
 Std Fctrs File : \\files\users\Brian\My Documents\BRAC 2005\BRAC2005.SFF

Starting Year : 2006
 Final Year : 2011
 Payback Year : Never

NPV in 2025(\$K): 274,444
 1-Time Cost(\$K): 144,036

Net Costs in 2005 Constant Dollars (\$K)

	Total	2006	Beyond	2007	2008	2009	2010	2011
MilCon	29,567	20,967	0	0	0	8,600	0	0
Person	-62,179	-327	-25,104	-4,788	-8,412	-8,412	-15,136	-25,104
Overhd	120,189	11,710	26,797	18,160	18,079	18,123	27,099	27,017
Moving	6,223	2,192	0	1,901	50	0	2,076	4
Missio	2,198	825	352	223	223	223	352	352
Other	119,627	3,675	5,099	96,818	5,466	3,466	5,102	5,099
TOTAL	215,625	39,041	7,144	112,315	15,406	22,001	19,493	7,369

	Total	2006	2007	2008	2009	2010	2011
POSITIONS ELIMINATED							
Off	23	7	12	0	0	4	0
Enl	211	18	25	0	0	168	0
Civ	103	37	29	0	0	37	0
TOT	337	62	66	0	0	209	0

	Total	2006	2007	2008	2009	2010	2011
POSITIONS REALIGNED							
Off	193	62	57	0	0	74	0
Enl	1,915	712	602	0	0	601	0
Stu	28	0	28	0	0	0	0
Civ	34	11	10	0	0	13	0
TOT		785	697	0	0	688	0

SUMMARY.RPT

2,170

Summary:

THIS SCENARIO WAS EVALUATED AT IEG ON THE 16 DEC 04 AS BEING COST PROHIBATIVE. DATA IS BASED ON CERTIFIED RESPONSES FROM "SCENARIO DON-004: Realign NS Norfolk, VA; Relocate all 11, 18 November".

Scenario Number: DON-0004

Scenario Title: Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New London, CT

For the purpose of this Scenario Data Call, the following BRAC Actions are being considered for analysis:

Action 1: Relocate 11 SSNs from Naval Station Norfolk, VA, to SUBASE New London, CT, to include required personnel, equipment, and support.

Action 2: Consolidate SIMA Norfolk, VA, with Naval Submarine Support Facility New London, Ct, to support the relocation of 11 submarines.

Action 3: Consolidate SUBTRAFAC Norfolk, VA, with NAVSUBSCHOOL Groton, CT.

Action 4: Consolidate NAVMEDCEN Portsmouth, VA, with NAVHEALTHCARE NEW ENGLAND Newport, RI, function Naval Ambulatory Care Center, Groton, CT, to support the relocation of 11SSNs and supporting assets from Naval Station Norfolk, VA to SUBBASE New London, CT.

Action 5: Consolidate NAVDENCEN MIDLANT Norfolk, VA, with NAVHEALTHCARE NEW ENGLAND Newport, RI, function Naval Ambulatory Care Center, Groton, CT, to support relocation of 11 SSNs and supporting assets from Naval Station Norfolk, VA to SUBBASE New London, CT.

□ COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 2/2
Data As Of 7/14/2005 1:57:36 PM, Report Created 7/14/2005

1:58:24 PM

Department : Navy
Scenario File : \\files\users\Brian\My Documents\BRAC 2005\Norfolk to NLON\Navy\FINAL NON-CR DON-0004 20 APR 05.CBR
Option Pkg Name: DON-004 Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New London, CT
Std Fctrs File : \\files\users\Brian\My Documents\BRAC 2005\BRAC2005.SFF

	Costs in 2005 Constant Dollars (\$K)		2008	2009	2010	2011
	Total	Beyond 2006				
MilCon	20,967	0	0	8,600	0	0
Person	7,212	12,404	11,524	11,524	18,645	17,080
Overhd	13,598	22,263	22,181	22,226	33,201	33,119
Moving	3,590	3,102	50	0	3,347	4
Missio	825	223	223	223	352	352
Other	3,675	96,818	5,466	3,466	5,102	5,099
	119,627	5,099				

SUMMARY.RPT

TOTAL	49,866	134,811	39,445	46,040	60,647	55,654
386,463	55,429					
Savings in 2005 Constant Dollars (\$K)						
Total	2006	Beyond 2007	2008	2009	2010	2011
-----	-----	-----	-----	-----	-----	-----
MilCon	0	0	0	0	0	0
Person	7,540	17,192	19,936	19,936	33,782	42,184
140,570	42,184					
Overhd	1,887	4,103	4,103	4,103	6,101	6,101
26,399	6,101					
Moving	1,398	1,201	0	0	1,270	0
3,869	0					
Missio	0	0	0	0	0	0
0	0					
Other	0	0	0	0	0	0
0	0					
TOTAL	10,825	22,496	24,039	24,039	41,154	48,285
170,838	48,285					

DON-004 SUMMARY REV 1.RPT

COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 1/2
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Department : Navy
 Scenario File : \\files\users\Brian\My Documents\BRAC 2005\Norfolk to NLON\Conn
 Revision 1\FINAL NON-CR DON-0004 CT Revised 1.CBR
 Option Pkg Name: DON-004 Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New
 London, CT
 Std Fctrs File : \\files\users\Brian\My Documents\BRAC 2005\BRAC2005.SFF

Starting Year : 2006
 Final Year : 2011
 Payback Year : 2015 (4 Years)

NPV in 2025(\$K): -55,819
 1-Time Cost(\$K): 49,041

Net Costs in 2005 Constant Dollars (\$K)								
	Total	2006	Beyond	2007	2008	2009	2010	2011
	-----	-----	-----	-----	-----	-----	-----	-----
MilCon	29,567	20,967	0	0	0	8,600	0	0
Person	-91,297	-2,572	-25,186	-11,114	-16,546	-16,546	-19,332	-25,186
Overhd	53,563	5,751	11,478	7,484	8,402	8,446	11,780	11,699
Moving	6,223	2,192	0	1,901	50	0	2,076	4
Missio	2,198	825	352	223	223	223	352	352
Other	24,627	3,675	5,099	3,818	3,466	3,466	5,102	5,099
TOTAL	24,882	30,838	-8,256	2,312	-4,405	4,190	-22	-8,031
	Total	2006		2007	2008	2009	2010	2011
	-----	-----		-----	-----	-----	-----	-----
POSITIONS ELIMINATED								
Off	23	7		12	0	0	4	0
Enl	212	70		65	0	0	77	0
Civ	103	37		29	0	0	37	0
TOT	338	114		106	0	0	118	0
POSITIONS REALIGNED								
Off	193	62		57	0	0	74	0
Enl	1,915	712		602	0	0	601	0
Stu	28	0		28	0	0	0	0
Civ	34	11		10	0	0	13	0
TOT		785		697	0	0	688	0

2,170

Summary:

 THIS SCENARIO WAS EVALUATED AT IEG ON THE 16 DEC 04 AS BEING COST PROHIBITIVE.
 DATA IS BASED ON CERTIFIED RESPONSES FROM "SCENARIO DON-004: Realign NS Norfolk, VA;
 Relocate all 11, 18 November".

Scenario Number: DON-0004

Scenario Title: Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New London, CT

For the purpose of this Scenario Data Call, the following BRAC Actions are being considered for analysis:

Action 1: Relocate 11 SSNs from Naval Station Norfolk, VA, to SUBASE New London, CT, to include required personnel, equipment, and support.

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Action 5: Consolidate NAVDENCEN MIDLANT Norfolk, VA, with NAVHEALTHCARE NEW ENGLAND Newport, RI, function Naval Ambulatory Care Center, Groton, CT, to support relocation of 11 SSNs and supporting assets from Naval Station Norfolk, VA to SUBBASE New London, CT.

Connecticut Corrections to DON Run:

1. Eliminate \$93 million 1-Time Cost in 2007 for new Drydock in NLON. One is already available at EB.
2. Eliminate \$2 million 1-Time Cost to repair pier for new drydock. Using EB drydocks.
3. Modify schedule for elimination of enlisted billets at NFK to match movement of subs. Note that total billets eliminated remains at 155.
4. Reduce the # of EB contractors added at NLON to match the # of sub support positions being eliminated at NFK. This reduces the EB contractors from 240 in the DON-004 COBRA run to 97. This adjustment also reflects the fact that 1 EB Contractor can replace 1.6 Military personnel. These employees are priced out at the same rate as in the DON-004 run (\$114,000 per person per year.)

□ COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 2/2
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Department : Navy
 Scenario File : \\files\users\Brian\My Documents\BRAC 2005\Norfolk to NLON\Conn
 Page 2

DON-004 SUMMARY REV 1.RPT

Revision 1\FINAL NON-CR DON-0004 CT Revised 1.CBR

Option Pkg Name: DON-004 Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New London, CT

Std Fctrs File : \\files\users\Brian\My Documents\BRAC 2005\BRAC2005.SFF

Costs in 2005	Constant Dollars (\$k)		2008	2009	2010	2011
	Total	2006 Beyond 2007				
MilCon	29,567	20,967	0	8,600	0	0
Person	78,394	7,420	12,564	11,524	18,282	17,080
Overhd	80,697	17,080	11,792	12,754	17,884	17,803
Moving	10,092	3,590	3,102	50	3,347	4
Missio	2,198	825	223	223	352	352
Other	24,627	352	3,818	3,466	5,102	5,099
TOTAL	225,576	44,231	31,499	27,973	44,966	40,338
		40,113		36,568		

Savings in 2005	Constant Dollars (\$k)		2008	2009	2010	2011
	Total	2006 Beyond 2007				
MilCon	0	0	0	0	0	0
Person	169,692	9,992	23,678	28,070	37,614	42,266
Overhd	27,133	2,003	4,308	4,308	6,104	6,104
Moving	3,869	1,398	1,201	0	1,270	0
Missio	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	200,694	13,393	29,187	32,378	44,988	48,370
		48,370		32,378		

DON-004 SUMMARY REV 2.RPT

COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 1/2
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Department : Navy
 Scenario File : \\files\users\Brian\My Documents\BRAC 2005\Norfolk to NLON\Conn
 Revision 2\FINAL NON-CR DON-0004 CT Revision 2.CBR
 Option Pkg Name: DON-004 Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New
 London, CT
 Std Fctrs File : \\files\users\Brian\My Documents\BRAC 2005\BRAC2005.SFF

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

NPV in 2025(\$K): -229,829
 1-Time Cost(\$K): 49,114

Net Costs in 2005 Constant Dollars (\$K)							
	2006	2007	2008	2009	2010	2011	
Total	Beyond						
-----	-----	-----	-----	-----	-----	-----	-----
MilCon	20,437	0	0	9,130	0	0	
Person	-7,085	-21,300	-27,862	-27,862	-30,648	-36,502	
Overhd	5,583	7,276	8,194	8,249	11,584	11,502	
Moving	2,008	1,856	50	0	2,076	4	
Missio	825	223	223	223	352	352	
Other	3,430	3,513	3,162	3,162	4,797	4,794	
TOTAL	25,198	-8,432	-16,234	-7,098	-11,839	-19,849	
	-38,254	-20,074					

	2006	2007	2008	2009	2010	2011	
Total							
-----	-----	-----	-----	-----	-----	-----	-----
POSITIONS ELIMINATED							
Off	7	12	0	0	4	0	
Enl	171	90	0	0	77	0	
Civ	37	29	0	0	37	0	
TOT	215	131	0	0	118	0	

POSITIONS REALIGNED							
Off	62	57	0	0	74	0	
Enl	611	577	0	0	601	0	
Stu	0	28	0	0	0	0	
Civ	11	10	0	0	13	0	
TOT	684	672	0	0	688	0	

2,044

Summary:

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Scenario Title: Realign NS Norfolk, VA; Relocate all 11 SSNs to SUBASE New London, CT

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4. Reduce the # of EB contractors added at NLON to match the # of sub support positions being eliminated at NFK. This reduces the EB contractors from 240 in the DON-004 COBRA run to 97. This adjustment also reflects the fact that 1 EB Contractor can replace 1.6 Military personnel. These employees are priced out at the same rate as in the DON-004 run (\$114,000 per person per year.)
5. Reduce Enlisted positions transferred from NFK to NLON by 101 in 2006 and 25 in 2007 to reflect currently unfilled billets in NFK.
6. Increase the # of Enlisted positions eliminated in NFK by 101 in 2006 and 25 in

DON-004 SUMMARY REV 2.RPT

2007 to reflect currently unfilled billets that would be eliminated in move to NLON.

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COBRA REALIGNMENT SUMMARY REPORT (COBRA v6.10) - Page 2/2
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Costs in 2005 Constant Dollars (\$K)		2006	2007	2008	2009	2010	2011
Total	Beyond						
-----	-----	----	----	----	----	----	----
MilCon	20,437	0	0	0	9,130	0	0
Person	29,567	0	11,719	10,579	10,579	17,337	16,135
Overhd	73,417	7,068	16,135	12,502	12,557	17,687	17,606
Moving	79,523	7,586	11,584	50	0	3,347	4
Missio	9,661	3,244	3,016	223	223	352	352
Other	2,198	825	223	3,162	3,162	4,797	4,794
	22,859	3,430	3,513				
		4,794					
TOTAL	42,590	30,057	26,516	35,651	43,520	38,892	
	217,226	38,667					

Savings in 2005 Constant Dollars (\$K)		2006	2007	2008	2009	2010	2011
Total	Beyond						
-----	-----	----	----	----	----	----	----
MilCon	0	0	0	0	0	0	0
Person	0	0	33,020	38,442	38,442	47,985	52,637
Overhd	224,679	14,153	52,637	4,308	4,308	6,104	6,104
Moving	27,133	2,003	4,308	0	0	1,270	0
Missio	3,668	1,236	1,161	0	0	0	0
Other	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
TOTAL	17,393	38,488	42,749	42,749	55,359	58,741	
	255,480	58,741					

Connecticut
SUBASE NK

TDK

700MB • CD-R MUSIC
NINAB

TDK

CERTIFIED PLUS

DAUGHTER
CD-R
DIP
POWER
LAYER

DDN-0007
7-18-05

Recordable

6
PS