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## TALKING PAPER

## ON

## ELLSWORTH AIR FORCE BASE (AFB)

**BACKGROUND:**

- As part of its BRAC recommendations, DOD recommends closing Ellsworth AFB SD.
- Under this recommendation, all B-1 Bombers assigned to Ellsworth will transfer to Dyess AFB, TX and Dyess would become the only B-1 Bomber in the Air Force.
- Under the same recommendation C-130s assigned at Dyess will be realigned to other installations. To also create a single mission focus at Dyess supporting the B-1, the C-130s assigned to Dyess are transferred to Little Rock (22 aircraft), Elmendorf ANG (4 aircraft) and Peterson AFB (4 aircraft)
- Ellsworth is second largest employer in South Dakota, w/\$278M yearly economic impact
- Ellsworth is an outstanding installation. The commissioners and BRAC staff visited the installation on 21 Jun and were impressed by the quality of facilities. This assessment is also supported by the number of Air Force (AF) facility awards won by Ellsworth.

**ISSUES:**

- **The projected cost savings identified in closing Ellsworth are unrealistic**
  - DOD COBRA data shows 3,746 positions being eliminated from Ellsworth. 1,918 of those positions are transferred to Dyess, for a net savings of 1,699 positions.
  - This appears to be a significant savings, BUT, since the Air Force is not reducing end-strength the savings are not realized in the aggregate. The Air Force intention is to convert positions saved at one base into positions that support stressed career fields and emerging missions<sup>1</sup>.
  - Further, according to the GAO, "...claiming such personnel as BRAC savings without reducing end strength does not provide dollar saving that can be reapplied outside personnel accounts."<sup>2</sup>

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<sup>1</sup> Report to Congressional Committees "Military Bases, Analysis of DOD's 2005 Selection Process and Recommendations for Base Closures and Realignment" July 2005, Page 124

<sup>2</sup> Ibid, Page 124

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- The table below shows costs/saving with and without personnel savings.

Costs/Savings Categories	DOD COBRA With Personnel Savings	BRAC COBRA W/O Personnel Savings	Delta
One Time Costs	\$299.1M	\$300.1M	\$1M diff rounding error
Net Implementation Costs	\$316.4M	\$224.8M	<b>\$91.6M more saved</b>
Annual Recurring Savings	\$161.3M	\$20.1M	<b>\$141.2 less than projected</b>
Return on Investment (2027)	1 year	19 years	<b>Takes 18 yrs longer</b>
Net Present Value in 20 yrs	\$1.853.3M Savings	\$19.4M (Costs)	

- When personnel savings are excluded from the cost data, it will take DOD 19 years (in 2027) to recover the cost (\$316.4) to close Ellsworth. After that DOD only gains DOD an estimated \$20.1M savings per year vice the \$161.3M claimed in the recommendation.
- **Costs to operate and maintain the fleet not expected to significantly decrease**
  - The size of the B-1 fleet will not change as a result of this recommendation.
  - The AF did not analysis the cost to operate and maintain the B-1 fleet after the consolidation. Cost efficiencies are gained by consolidating B-1 support personnel, but they are offset by the fact the Air Force is not reducing end strength (see above).
  - The cost per B1 flying hour are expected to increase slightly since the duration time to get to the principle training range at Dyess is about 0.7 longer than at the principle training range at Ellsworth.
- **Logistics efficiency gains are marginal.**
  - In the short term there is a 1-2 percent increase in the B-1 mission capable rate (equals one additional aircraft) due consolidating the B-1 parts inventory (and a \$11.2 one time savings); but in the long term no increase in the mission capability rate is expect.
    - Why? The Air Force buys spares to a targeted 95 percent mission capability rate, after the initial consolidating of inventories the system will adjust back to the target mission capability rate
- **Concerns about the gaining installation (Little Rock)**
  - The C-130s assigned to Dyess are moving from Dyess ranked 11<sup>th</sup> for military value supporting airlift missions to Little Rock, which is ranked 17<sup>th</sup>
  - The Air Force is consolidating all active duty C-130s at Little Rock. Little Rock will have a mixed C-130 fleet of about 118 C-130s. This isn't consisted with the Air Force plan to consolidate aircraft of the same mission design (i.e. Air Force basing principle #2)

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- COBRA MILCON costs to support beddown of additional C-130s are suspect. The MILCON costs are expected to exceed what is projected in COBRA. They range from \$107M to \$292M.
- **Closing Ellsworth impacts readiness--from a total force perspective.**
  - Consolidating the B1 Bomber fleet at one location increases the risk to the Nation's long range strike capability. The "putting all the eggs in one basket" argument.
  - The risk is not so much from a terrorist attack, but from current and emerging strategic threats.
  - By consolidating the Nation's bomber capability from 5 bases (Ellsworth, Dyess, Minot, Barksdale, and Whiteman) to 4 we are decreasing our strategic redundancy for a capability. We are also increasing the risk to this capability from a first strike by current and emerging strategic threats (China, North Korea, and Iran).
  - The Director DIA, in 17 March 2005 statement to Senate Armed Services Committee noted:
    - "China...by 2015, the number of warheads capable of targeting the continental United States will increase several fold."
    - "...North Korea could deliver a nuclear warhead to parts of the United States..."
    - "...Iran will have the technical capability to develop an ICBM by 2015."
- *The B1 consolidation is inconsistent with Nation Defense Strategy: "Developing greater flexibility to contend with uncertainty by emphasizing agility and by not overly concentrating military forces in few locations."*
- *The B1 consolidation is also inconsistent with Air Force BRAC Basing Principle #7: "Ensure long-range strike bases provide flexible strategic response and strategic force protection."*
- **Military value scoring favored gaining installation, but only in one criteria (airspace)**
- A comparison of Dyess and Ellsworth shows that Ellsworth beat out Dyess in 3 out of the 4 military value criteria, but lost to Dyess in the most heavily weighted criteria of proximity to air space (i.e. Dyess has 2.3 times the volume of air space as Ellsworth). Because of this Dyess scored higher than Ellsworth by just 5.9 points.
- The proximity to air space value however isn't as clear cut as indicated in the scoring. There is an on-going litigation issue regarding Dyess' primary training range that wasn't factored into the scoring. While transient, the litigation will provide uncertainty on the capabilities available for use in the airspace for several years.
- The litigation involves the Lancer training range (Trans-Pecos vs. USAF) and has resulted in restrictions being placed on using the Lancer range (B-1s can't fly below 500 feet). Ellsworth currently doesn't have this range restriction.

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- A comparative military value ranking among the three AF bases (Minot, Grand Folks, Ellsworth) in the North Central United States where the AF has stated they must maintain a strategic presence, ranked Ellsworth #1 in 6 of the 8 functional categories.