

Congress of the United States

Washington, DC 20510

September 13, 2004

Mr. Wayne Arney
Assistant Secretary of the Navy (Installations and Environment)
Room 4E523
1000 Navy Pentagon
Washington, DC 20350

Dear Mr. Arney:

We are writing to provide input as you initiate your efforts to evaluate the nation's shipyards as part of the Base Realignment and Closure process. We have reviewed the 149-element evaluation matrix that was used to evaluate the shipyards in 1995 and have some concerns that we would like to bring to your attention.

In the past, naval shipyards have been evaluated based on the work they have performed, instead of their capabilities. A Naval shipyard should not be penalized in the BRAC evaluation process because it has been assigned a restricted mission that does not utilize the full range of the shipyard's capability.

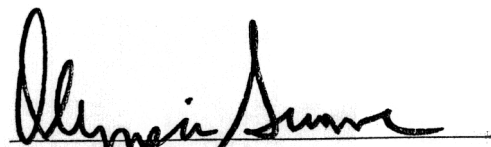
Additionally, some criteria used in 1995 were expressed in absolute terms when a percentage comparison would result in a fairer evaluation of the shipyard's capabilities. Examples of this type of bias can be seen in the number of apprentices trained at the shipyard and the amount of capital improvement expenditures.

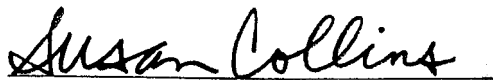
Another limitation with the 1995 evaluation criteria is that they do not adequately address the value and quality of the work performed. The criterion includes hourly direct labor costs and fully burdened rates, but do not address the ability of the shipyard to deliver the work in accordance within budget and schedule constraints. The criteria also do not address the quality of the work performed.

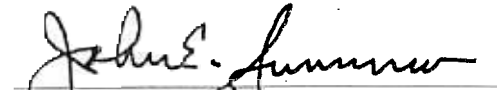
While we understand that the 2005 BRAC evaluation criteria will not be the same as previous BRAC rounds, we urge you to consider and address the limitations of the previous criteria as you proceed with the evaluation of the 2005 BRAC round.

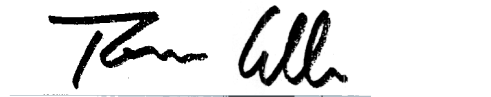
Sincerely,

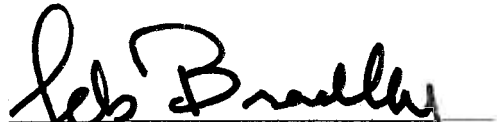

JUDD GREGG
United States Senator



OLYMPIA J. SNOWE
United States Senator

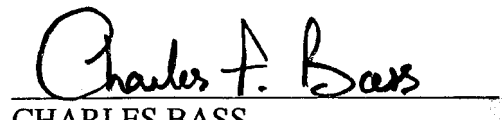

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United States Senator


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United States Senator


THOMAS H. ALLEN
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JEB BRADLEY
United States Representative


MICHAEL H. MICHAUD
United States Representative


CHARLES BASS
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