

**CLASSIFICATION:**

<b>BUDGET ITEM JUSTIFICATION SHEET</b>						DATE: <b>February 2004</b>					
<b>P-40</b>											
APPROPRIATION/BUDGET ACTIVITY <b>Weapons Procurement, Navy</b>						P-1 ITEM NOMENCLATURE <b>Weapons Industrial Facilities BLI: 242000</b>					
Program Element for Code B Items:						Other Related Program Elements					
	Prior Years	ID Code	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
QUANTITY											
COST (In Millions)			<b>\$17.1</b>	<b>\$32.7</b>	<b>\$4.0</b>	<b>\$4.1</b>	<b>\$4.2</b>	<b>\$4.3</b>	<b>\$4.4</b>		

This item provides funding to:

- Close, deactivate, prepare for disposal, and convey the two Government-owned contractor-operated (GOCO), Naval Weapons Industrial Reserve Plants (NWIRPs) under the cognizance of NAVAIR supported by WPN funds. The two facilities are NWIRP, McGregor TX and NWIRP, Toledo OH. Closure and deactivation is being accomplished in accordance with 41 CFR, Chapter 101, Federal Property Management Regulations, and other applicable guidance. Upon completion of divestiture there will no longer be a requirement to fund these facilities.
- Accomplish environmental remediation as required by law in accordance with Section 120(h) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and Executive Order 12898, Environmental Justice. CERCLA 120(h) requires assurance of environmental contamination remediation prior to disposal of Government real property. This assurance is provided by following guidance promulgated by ASSTSECNAV (I&E) memo of 22 December 1993, Application of BRAC Environmental Procedures to Non-BRAC Identification of Uncontaminated Property and Cleanup of Contaminated Property at Closing Installations.
- Develop Environmental Impact Statements (EISs) and conduct Cultural Resource Surveys as required by law. The EISs and Cultural Resource Surveys must be accomplished in accordance with 40 CFR, the National Environmental Policy Act (NEPA) and other applicable guidance. The NEPA process is required for any major Federal action affecting the environment. Application to GOCO divestitures was confirmed by NAVAIR Counsel in letter serial AIR-7.7.4/REC of 3 April 95, which based its conclusion on OPNAVINST 5090.1B, the Defense Authorization Acts of 1994 and 1995, and case law.
- Dispose of the facilities as required by law. NWIRP, McGregor TX is being accomplished in accordance with Section 2868, Land Conveyance, NWIRP, McGregor, TX of Public Law 104-106, National Defense Authorization Act for FY-1996. The mandatory divestiture of NWIRP, Toledo OH will be accomplished in accordance with ASSTSECNAV (RD&A) memo of 7 July 1995, 41 CFR, Chapter 101, Federal Property Management Regulations and other applicable guidance.
- Accomplish explosive decontamination of NWIRP, McGregor TX in accordance with AMCCOMR 385-2, Decontamination and Disposal of Facilities, Equipment and Material and other applicable guidance prior to transfer of the facility to the city of McGregor as required by law.

- Close, deactivate, prepare for disposal, and convey the Government-owned contractor operated (GOCO), Naval Weapons Industrial Reserve Plant (NWIRP) Bedford, MA under the cognizance of NAVSEA supported by WPN funds.

- Supports Capital Type Rehabilitation projects at two GOCO plants, Naval Industrial Reserve Ordnance Plant (NIROP) Allegany Ballistics Laboratory (ABL), WV and NIROP Fridley, MN. NIROP ABL supports weapons systems such as Sparrow, ESSM, ERGM, AIM-9X, Ramjet, AGS, Tomahawk GG and Trident GG. NIROP Fridley supports weapons systems such as VLS Mk 41, VLS Canisters, Mk 45 Mod 4, and AGS. Federal Acquisition Regulation Part 52.245-7 specifies that Facilities Use contracts require that the government fund capital type rehabilitation projects to support and maintain these facilities. These plants have an average age of 45 years and lack of proper maintenance will limit capabilities to maintain scheduled production rates and overall productivity. Funding is separated to reflect environmental, safety, major repair, energy conservation and facilities restoration.

(CONTINUED ON PAGE 2 OF 2)

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APPROPRIATION/BUDGET ACTIVITY <b>Weapons Procurement, Navy</b>						P-1 ITEM NOMENCLATURE <b>Weapons Industrial Facilities (BLI 242000)</b>					
Program Element for Code B Items:						Other Related Program Elements					
	Prior Years	ID Code	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
QUANTITY											
COST (In Millions)			<b>\$17.1</b>	<b>\$32.7</b>	<b>\$4.0</b>	<b>\$4.1</b>	<b>\$4.2</b>	<b>\$4.3</b>	<b>\$4.4</b>		
<p>(CONTINUED FROM PAGE 1 OF 2)</p> <ul style="list-style-type: none"> <li>- ENVIRONMENTAL: Provides funds to eliminate environmental deficiencies in compliance with local, state, and federal regulations. These regulations mandate requirements which must be met if plant shutdowns, criminal liability, and severe financial penalties are to be avoided.</li> <li>- SAFETY: Provides funds to eliminate safety deficiencies in compliance with local, state, and federal OSHA regulations. These regulations mandate requirements which must be met if plant shutdowns and severe financial penalties are to be avoided.</li> <li>- MAJOR REPAIR: Provides funds for critical upgrades to maintain high liability areas such as fire and security systems, roofs, boilers, electrical distribution systems, bridge crane systems, and other structural repairs essential to maintain the industrial integrity of the plant.</li> <li>- ENERGY CONSERVATION: Provides funds to decrease energy consumption by installing new energy efficient systems and provides increased maintenance on these systems. Mandated in 1993 by Congress (Defense Appropriations Committee).</li> <li>- FACILITIES RESTORATION: Provides funds for replacement of Weapons Industrial Facilities at NIROP ABL in Rocket Center, WV that have exceeded their useful life and deteriorated beyond safe operations (personnel &amp; explosive).</li> </ul>											

CLASSIFICATION:

**UNCLASSIFIED**

WEAPONS SYSTEM COST ANALYSIS										DATE:			
P-5										February 2004			
APPROPRIATION/BUDGET ACTIVITY					P-1 ITEM NOMENCLATURE/SUBHEAD								
Weapons Procurement, Navy/BA-2					37073 Weapons Industrial Facilities BLI: 242000								
COST CODE	ELEMENT OF COST	ID Code	TOTAL COST IN THOUSANDS OF DOLLARS										
			Prior Years	FY 2003			FY 2004			FY 2005			
			Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
FU002	Capital Type Rehabilitation												
	Environmental						3,065			3,123			3,215
	Safety						0			0			0
	Energy Conservation						1,023			794			822
	Major Repairs									0			0
FU005	Facilities Restoration (ABL)						9,619			25,255			0
FU020	Government-Owned Contractor-Operated Facilities Divestiture												
	NWIRP McGregor						2,838			3,526			0.000
	NWIRP Toledo						580			0.000			0.000
	Various 1/		88.873										
1/ The amount identified against this cost element reflects total prior year funding associated with cost elements no longer financed in FY2003 and beyond.													
							17,125			32,698			4,037

**UNCLASSIFIED**