

National Strategic Asset Blount Island, FL

The Case for DoD Acquisition



May 2000





Sustaining the Force-

“We must undertake the wisest possible course to conserve our real property and, when necessary, to acquire any additional property that is mission critical. The Blount Island facility in Jacksonville, Florida is truly a national asset that must be purchased to ensure its availability over the long term. Its peacetime mission of support to the

Maritime Prepositioning Force has been of exceptional value to the Marine Corps, while its wartime capability to support massive logistics sustainment from the continental U.S. gives it strategic significance. In 2004, our lease of this facility will expire. In the near term, we need \$35 million to secure the necessary easements in order to prevent further encroachment against the facility, but our long term national strategy should be to purchase this key facility outright. Independent studies – including one completed in 1997 for the J-4 Directorate of the Joint Staff – have confirmed the importance of maintaining complementary Army and Marine Corps prepositioning maintenance sites and have highlighted the strategic value of Blount Island’s throughput and follow-on sustainment capabilities.”

-- from Annual Report of the Marine Corps to Congress

A handwritten signature in black ink that reads "James L. Jones". The signature is written in a cursive, flowing style.

*James L. Jones
General, United States Marine Corps
Commandant of the Marine Corps*

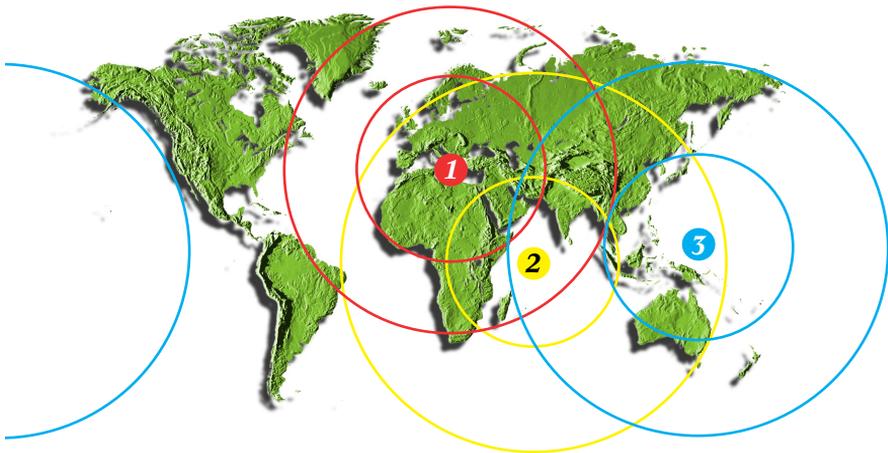
Section I

Maritime Prepositioning Force (MPF) Program History and MPF Maintenance Cycle (MMC) Requirements

The MPF program finds its roots in the turbulence international events of the late 1970's and early 1980's. Most notable of these events were the Iranian Hostage Crisis, the Soviet Union's invasion of Afghanistan, the second Oil Crisis, and the Iran - Iraq war. All of these events were contributing factors to the requirement for an MPF like force.

Presidential guidance to DoD was to devise a program so the United States would not be humiliated again in the eyes of the world. The goal was to cut transit time to the Persian Gulf and save on airlift while fielding major power projection forces. Afloat prepositioning was the solution with the USMC taking the lead on the initiative. The interim program was called Near Term Prepositioning Ships (NTPS) and was deployed to Diego Garcia in the Indian Ocean in 1981. Two roll-on/roll-off ships and three break bulk cargo ships made up the NTPS squadron with the USMC's 7th Marine Expeditionary Brigade (MEB) designated as its Marine Air Ground Task Force (MAGTF).

Over the past 19 years, the MPF program has maintained 13 ships configured into three squadrons. Each



squadron will now receive an additional ship over the course of the next three years. Squadrons are apportioned to a Geographical Combatant Commander in Chief under direct control of his Marine Corps Component Commander. The three squadrons are forward deployed around the globe as follows:

MPSRON 1 – The Mediterranean Sea

MPSRON 2 – Diego Garcia

MPSRON 3 – Guam/Saipan

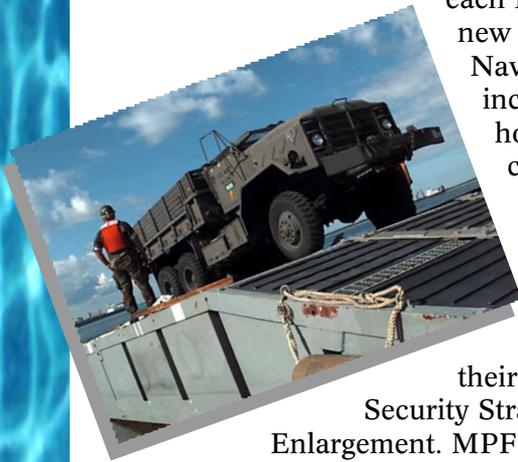
MPS has proven its value to the nation in times of peace and crisis. During Operations Desert Shield / Desert Storm, all three squadrons were employed to provide the bulk of the combat power to the United States Central Command during the first 30 days of the war against Iraqi aggression. Similarly, MPF was used extensively during operations other than war in Somalia and during humanitarian assistance operations in the Philippines and Bangladesh.

Specific highlights of the MPF Program include:

- A Strategic Force Deployment Option.
- Combines the capacity and flexibility of prepositioned sealift with speed of strategic airlift.
- Provides the majority of equipment and supplies for a MEB sized MAGTF of 17,000+ Marines and Sailors for 30 days.
- MPS ships are owned and mastered under long term civilian charter to the Military Sealift Command.
- MPF Maintenance Cycle operations are conducted at the premier facility located at Blount Island, Florida.



The force that comprises the MPF capability is a truly joint Navy and Marine Corps team. The bulk of the combat power comes in the form of a MEB sized MAGTF. This MAGTF is built around a mechanized Regimental Landing Team, a composite Marine Aircraft Group, and a robust Brigade Service Support Group. Command and Control is provided by the Brigade's Command Element. Also assigned are Navy forces which include a Naval Support Element from the Naval Beach Groups, Cargo Handling and Port Group and a Naval Security Group. As each MPF squadron acquires its new ship, it will acquire new Naval capabilities as well. These include a 500 bed fleet hospital, naval mobile construction battalion (Seabees), and an expeditionary airfield.



The Navy and Marine Corps are exploring even better ways to continue their support of the National Security Strategy of Engagement and Enlargement. MPF supports two of the strategy's four pillars: Forward Presence and Crisis Response. Currently under development are the MPF Ships of the Future. Though still in the conceptual phase of development, these ships will support the Naval doctrine of Forward from the Sea and Operational Maneuver from the Sea. By having the ability to stand up the force at sea and sustain it from a sea base, MPF Future will provide the nation even greater flexibility in meeting its global responsibilities.

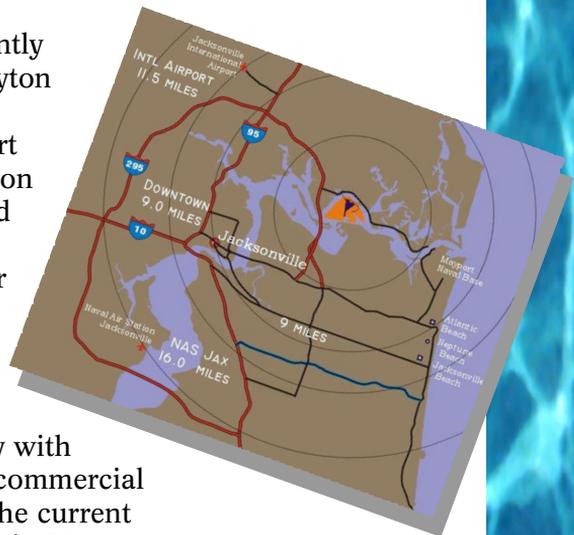
But regardless of the configuration of the squadrons, their associated MAGTFs and Naval Elements, one piece is abundantly clear: That there exists now and will exist into the future, a need for a dedicated facility from which these vital naval assets can be maintained and sustained. Blount Island is the facility of choice.

Section II

Facility History/Orientation

Located near the mouth of the St. John’s River, Blount Island has proven itself to be ideally suited for the Marine Corps Maritime Prepositioning Squadrons for offloads, maintenance cycle operations, backloads, and strategic throughput. “Throughput” pertains to Blount Island’s capability of receiving strategic-level equipment and materiel from numerous, disparate origins; organizing it; and forwarding it to the appropriate requesting agencies in a timely manner.

Blount Island is currently owned by Mr. Herbert Peyton and has been used for a variety of maritime support activities. Since its inception in 1985, the land occupied by Blount Island Command has been under lease to the Marine Corps. The current rent is about \$11.4M per year. The Marine Corps shares this island property with about a half dozen other commercial entities of various sizes. The current operating lease will expire in 2004.



Currently Blount Island has a number of active tenant activities to include the Jacksonville Port Authority, Jacksonville Electric Authority, B.F Goodrich, and GATE Maritime Properties. The USMC employs more than 300 people under contract with Honeywell and other contractor support. Annual economic benefits to the area include a \$30M payroll with a gross impact of over \$385M. The Marine Corps has shown additional concern to the community by unilaterally implementing operational restrictions when handling ammunition and other hazardous cargo.

Section III DoD Requirements

Based on the requirements for both the ships and supporting facility, HQMC and the Naval Facilities Engineering Command established criteria for a facility to properly support MPF Maintenance Cycle (MMC) operations. Various criteria were used to evaluate the many sites proposed for MMC operations. These criteria are specified in Section 2 of the Woolpert report:

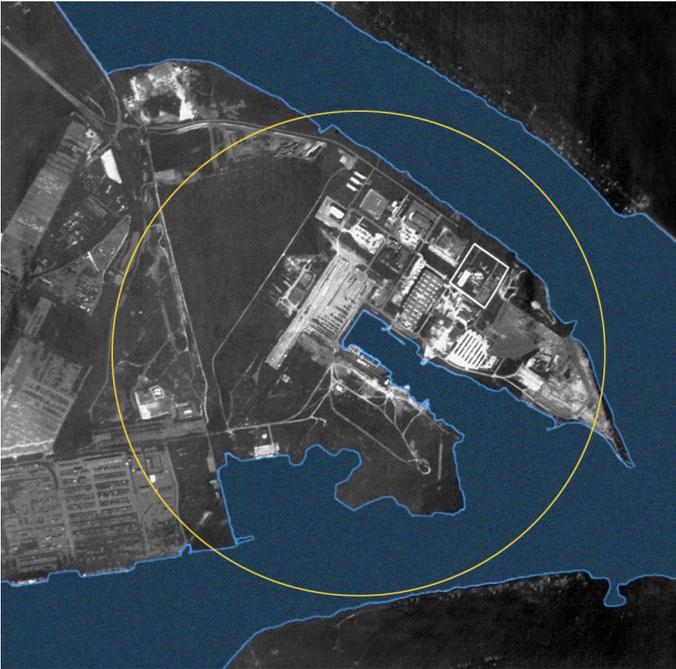
- Within the continental United States
- Proximity to Marine Corps Logistics Base; Albany, GA
- Ability of ships to transit harbor and absence of fixed



obstructions
to include no overhead
navigational hazards

- Ability to offload and embark all equipment and ammunition at one berth
- Favorable weather
- Sufficient channel/turning basin depth and berthing space with adequate depth

- Ability to recruit and train a suitable workforce
- Adequate infrastructure (buildings, cranes, etc.)
- Distance of local equipment maintenance site and facility from MPS berth
- Surge capacity
- Distance of lighterage maintenance site from MPS berth.
- Rail/road network. Recent investment of Mobility Enhancement Funds provided for the completion of a continuous rail loop at Blount Island.
- Sufficient land use controls - Explosive Safety Quantity Distance (ESQD) arc



USMC requires a permanent facility to perform MPF Maintenance Operations

Section IV

Exploring Alternatives To Satisfy Requirements

Alternative siting for the MPF Maintenance Cycle invariably resurfaces whenever the issue of addressing continued use, procurement and acquisition of Blount Island Command is discussed. Initiating a new study is viewed by some as a panacea to the complications of acquiring BICmd. However, reviewing the body of historical work since 1985, four major surveys have been completed on potential MPF maintenance sites, and a study of current use of Charleston and BICmd for maintenance operations has recently been completed.

These detailed studies have examined numerous commercial and government owned sites to perform MPF maintenance. All studies have concluded that Blount Island is not only the best, but also the only viable place to accomplish the maintenance mission. Given the continued growth of civilian infrastructure in and around existing U.S. ports (both commercial and military), the likelihood that a new study will reveal a location at a reasonable price (under \$200M) which can support MPF maintenance operations is very remote. The studies are synopsized below:

The USMC survey of 1985 recommending Blount Island, Jacksonville, FL considered 60 locations. All but five were eliminated for various limiting factors such as water depth, overhead clearance, acreage, available facilities (cost), and ammunition safety. The five remaining ports (Blount Island, FL Davisville, RI Panama City, FL Port Everglades, FL Wilmington, NC) were physically surveyed. All except Blount Island were eliminated due to the aforementioned limitations or other factors such as annual weather patterns.

Based on the above siting criteria, the USMC is left with one of two options (1) Collocate with another military or commercial facility or (2) Establish a separate facility dedicated to the needs of the MPF Program. In

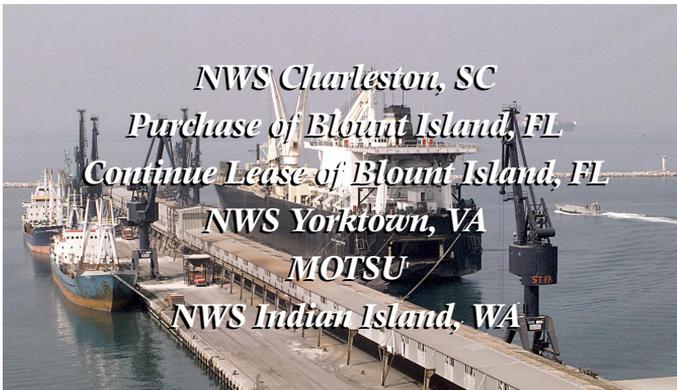
order to fairly and effectively determine which course of action should be pursued and which facility(ies) might satisfy those requirements, a number of studies were conducted. A synopsis of each study is given below:

The Center For Naval Analyses (CNA)

In 1992 CNA evaluated the purchase of Blount Island vs. moving to an alternative site. CNA reviewed the 1985 USMC study and also made use of a 50 port, Department of Transportation study of ammunition capable, commercial ports. All commercial sites were eliminated with the exception of Blount Island and ten military ports that were subsequently surveyed by CNA.

- *Blount Island, FL*
- *Port Hueneme, CA*
- *NWS Indian Island, WA*
- *NWS Yorktown, VA*
- *NWS Seal Beach, CA*
- *Craney Island, Norfolk, VA*
- *NWS Charleston, SC*
- *NWS Earle, NJ*
- *NWS Concord, CA*
- *Military Ocean Terminal, Sunny Pt, NC (MOTSU)*

Six options were presented by CNA based upon physical capability and ranked by cost.



Further analysis revealed that Charleston, Yorktown, MOTSU, and Indian Island were either cost prohibitive and/or required major ship modifications to access to the port.

In its ranking CNA "cost penalized" Blount Island for lack of troop support facilities (BEQ, mess, gym, etc.), even though there are less than 70 uniformed personnel assigned to Blount Island Command. The fact that there are two major Naval stations (Mayport and NAS Jacksonville) in close proximity is one of the main reasons the Blount Island location was chosen in the first place.

CNA Conclusion

Buy or lease Blount Island.

Logistics Management Institute (LMI)

In 1993, the LMI conducted a survey for the Army to locate a site for Army afloat prepositioning maintenance. LMI reviewed previous surveys and physically surveyed the following locations:

- *Port Hadlock, WA*
- *Military Ocean Terminal Bayonne, NJ (MOTBY)*
- *NAS Yorktown, VA*
- *NAS Earle, NJ*
- *MOTSU*
- *Wilmington, NC*
- *Ft. Eustis, VA*
- *NAS Charleston, SC*
- *Blount Island, FL*
- *Four sites in the San Francisco Bay area*

LMI found that only Charleston and Blount Island were suitable as prepositioning ship maintenance sites. LMI recommended Charleston as the Army's site due to its vessels' characteristics and ammunition storage configuration. Army prepositioning vessels as planned would significantly exceed the explosive safety arc limits imposed on Blount Island. In reality, the Army ships now carry significantly less ammunition than MPF vessels.

LMI Conclusion.

For the Marine Corps...use Blount Island.

Analytical Systems Engineering Corporation (ASEC)

The ASEC, in 1996 assessed continued use of Blount Island. ASEC did a detailed evaluation of the MPF maintenance process, a cost analysis, and reviewed previous studies. ASEC concurred with these studies and recommended the purchase of Blount Island.

ASEC Conclusion

Buy Blount Island.

Joint Staff J-4 Directorate

In August of 1998 Joint Staff J-4 Directorate commissioned the Institute for Defense Analysis (IDA) study, “Cost and Operational Effectiveness Analysis (COEA) on Collocating the Army and Marine Corps Afloat Prepositioning Maintenance Sites at Charleston, South Carolina and Blount Island, Florida.” This study examined collocation issues in depth, and validated with the Combatant Commanders-in-Chief (CINCs) the strategic necessity to maintain two separate sites.



The study concluded that collocation:

- Increases vulnerability of prepositioning maintenance cycle operations to terrorism and major storm damage.
- Decreases throughput capability and strategic flexibility via the loss of additional slipways at Blount Island.
- Results in the likely loss of a major mobilization site if Blount Island Command (BICmd) is closed through commercial development.

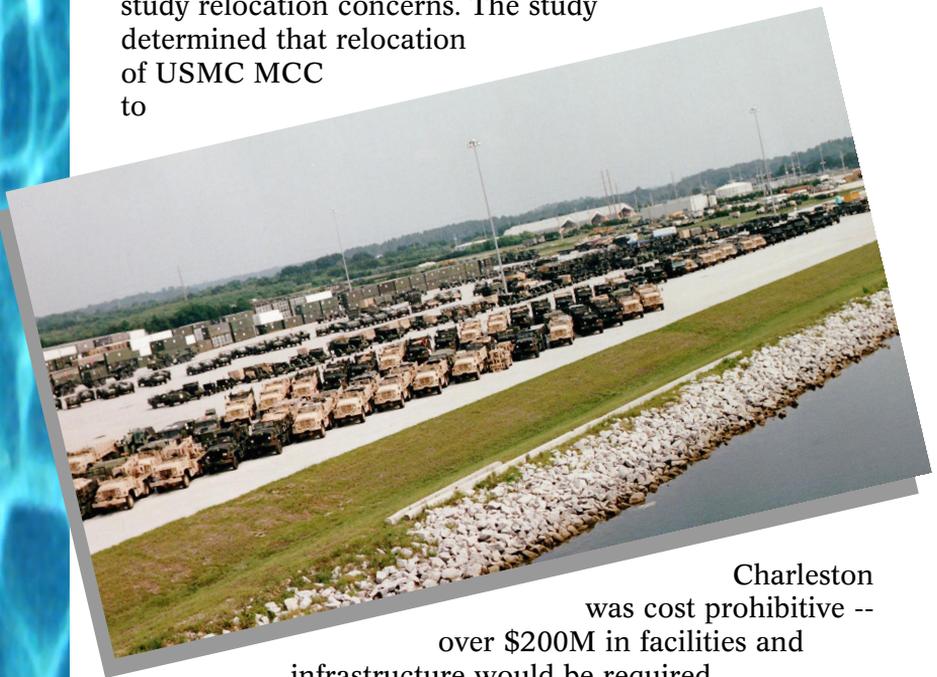
- Disruption of organizations during transition.
- Increases work stoppage vulnerability.
- Loss of excess capacity for possible future expansion of repositioning forces.
- Could result in creation of a joint repositioning command and recommended against it because (1) joint command would add another command layer and (2) conflicting requirements were envisioned.

Joint Staff Conclusion

Marine Corps should keep Blount Island.

Charleston Study

In February 99 the USMC conducted a site survey to update our own in-house assessment of NWS Charleston and re-validated the Institute for Defense Analysis study relocation concerns. The study determined that relocation of USMC MCC to



Charleston was cost prohibitive -- over \$200M in facilities and infrastructure would be required.

Results are summarized as follows:

- With the exception of one excess building, only raw land is now available to support USMC relocation to NWS Charleston.
- Over \$200M for development of new facilities, infrastructure, hard stands and pier expansion would be required for stand-alone Marine Corps operations at three on-base sites: the pier/marshalling area, maintenance area, and lighterage maintenance. (This does not include an estimated \$70M in relocation costs.)
- Collocation would also include scheduling conflicts. The Army Afloat Prepositioning Force (APF) at end state will have 19 Large Medium Speed Roll-on/roll-off Ships (LMSRs) and the Maritime Prepositioning Force (MPF) will have 16 ships. Assuming the APF will also move to a 36-month maintenance cycle, this equates to one ship per month for 36 months.)
- Sharing current Army facilities and infrastructure (as opposed to constructing usable facilities for the MPF program) is not a wise option for the Nation's defense, based on the envisioned scheduling conflicts and limited staging areas at both the Army maintenance site and near the pier. There would be no excess capacity in crisis.

- ✧ *APF and MPF operate under very different operational and maintenance concepts.*

- ✧ *There is inadequate infrastructure for sharing the current facilities (Army still doing work outside, insufficient hard stands, etc.).*

- ✧ *Surge and reconstitution conflicts.*

- ◆ *Higher maintenance cycle costs.*

- ✧ *Proposed MPF site is five miles from pier.*

- ✧ *Road network to the pier is two lane, winding road through swampland.*

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- * *Second destination transportation costs will be higher.*
 - ◆ *There will be a loss of skilled workforce at Blount Island.*
 - * *We can anticipate disruption to maintenance operations at BICmd as USMC presence at the facility draws down.*
 - * *Many contractor and government employees will not relocate.*
 - * *Specialized maintenance skills are required in many commodities.*
 - ◆ *Bridge clearance. Both the Cooper River and Mark Clark bridges at Charleston are clearance hazards for the MPF AMSEA vessels to transit the Cooper River to NWS Charleston. The AMSEA vessels would require major ship modifications of approximately \$5.25M total.*

Conclusion

Marine Corps must keep Blount Island.

Section V

Blount Island Is The Solution!

As evidenced by the body of studies cited above, Blount Island is not only the best alternative but the **only** alternative for the Nation and the United States Marine Corps. This facility truly qualifies as a national asset capable of exceptional support to our maritime nation in times of both peace and crisis. As DoD property, the facility will enjoy the benefits of more cost effective



maintenance and management without the numerous legal entanglements and conflicts currently being experienced. Congressional support for this action is at an all time high as noted in the most recent Fiscal Year 2000 Appropriations Bill.

Though in principle the idea of acquiring Blount Island is sound and supported within the Congress and DoD, there remain hurdles to final implementation of this necessary action.

Section VI

The Road To Acquiring Blount Island

As previously noted, Blount Island has demonstrated enormous support for the community of Jacksonville and the surrounding areas of North Florida. It provides another example of solid community relations and involvement. Community support is a critical aspect of acquiring the facility. Numerous national and local elected representatives have publicly endorsed the acquisition of Blount Island.

The Southern Division of the Naval Facilities Engineering Command is the responsible agency for the required activities. It has in-progress planning studies underway. Current real estate actions are underway in support of the purchase option.

- Metes and bounds survey will be completed in Fall 2000
- Title search will follow, with estimated completion in late summer 2000
- Environmental assessment will be completed in summer 2000.

Continued challenges to acquisition include funding and command and control issues. Some issues worthy of note are as follows:

- Source of funds still required. CMC has indicated the requirement for an initial \$35M. Additional funds will be required to complete the purchase.
- Cost avoidance in long term by eliminating lease funds in favor of purchase.
- No significant developments/MILCON envisioned. Previously requested MILCON projects will be held in abeyance or cancelled depending on the decisions to purchase Blount Island.

Section VII

Conclusions

- Blount Island presents a flexible option in support of our National Defense and Maritime Strategy!
- Ownership of Blount Island satisfies current and future MPF requirements!
- Acquisition of Blount Island is the most cost effective solution for the Nation and the United States Marine Corps!

