

Suggested Questions for DFAS – Limestone

1. What sort of performance reputation does DFAS Limestone have within the DOD?
2. If you could grow to 480 right now how long would it take you and what would it cost?
3. How long would it take you to go to 600 personnel and how much would it cost?
4. To grow to 1500 personnel how many square feet would you need to do this?
5. What kind of timeline would you need to get the 900 additional personnel?
6. I have noticed that you stated that your ‘interest penalties’ are lower than most of your counterparts in DFAS. What are you doing to save the taxpayers money that the other sites are not?
7. In the electronic world in which we now live, what steps has Limestone taken to reduce paperwork while improving customer service?
8. With past job opening announcements, you have stated that there is a 5 to 1 ratio for applicants. How many of these external candidates were qualified but were not hired due to limited number of positions?
9. How well have previous expansions been conducted and how have they affected performance? Has the facility undergone any recent expansions or upgrades that have impacted its ability to perform?
10. What is the cost of operations at Limestone and how does it compare with other DFAS facilities?
11. What is the current status of your lease arrangement with the community?
12. What customers within the Air Force and Air National Guard does the DFAS serve? How capable is DFAS Limestone to expand its operations and play a greater role in the broader DFAS mission?
13. What is the security situation at the facility? What are the benefits of being located in Limestone, and what needs to be done and at what cost to improve the security to the necessary requirements?
14. How are union-management relations at this facility? How do they compare to other DFAS facilities?
15. What is the locality pay rate and how does it compare with other DFAS facilities?

†
DCN: 11555

16. What educational levels and professional degrees do DFAS Limestone employees possess and how does that compare with other workforces within the agency?
17. What is the employee satisfaction level at this facility?
18. How willing are DFAS Limestone employees to relocate? How capable of maintaining a similar standard of living will relocated Limestone employees be?
19. What would be lost by DFAS and DOD with the closure of Limestone?

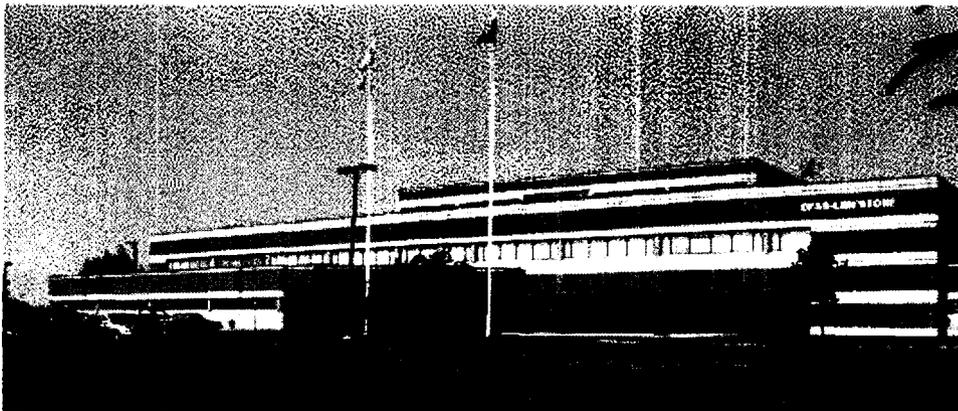
The Defense Finance and Accounting Service Limestone Fact Sheet

After nearly 10 years of service, the Defense Finance and Accounting Service Limestone embraced a new challenge in October 2004 with the merger of the DFAS San Antonio Air Force Accounting and Vendor Pay



database into the database of DFAS Limestone. That database consolidation not only dramatically increased the number of Air Force and Air National Guard customers that Limestone serves, but it also offers the opportunity to partner with DFAS San Antonio in providing new and innovative services to their Air Force customers. Together, DFAS Limestone, with its roots in New England tradition and Yankee ingenuity, and DFAS San Antonio, set

in the heart of one of the Southwest's fastest growing metropolitan areas, have created a team of highly trained and motivated employees with state-of-the-art technology to provide premier base-level finance and accounting services to their customers. These services include: appropriated funds accounting and reporting; vendor pay; working capital funds accounting and reporting; travel accounting; and accounts receivable.



Meeting Our Customers

With the database consolidation DFAS Limestone now serves all 15 bases of the Air Force's Air Combat Command, eight major bases and a large number of smaller geographically separated units of the

United States Air Forces in Europe, the two bases under Air Force Special Operations Command, the 13 bases belonging to Air Education and Training Command, and 34 Air National Guard units. These bases and ANG units stretch across 27 states, Europe, and Southwest Asia. Put another way, we serve customers in a geographical area spanning 11 time zones. We are particularly proud of the support we provide to our warfighters in Southwest Asia and Europe. These customers include:

Air Combat Command

- Barksdale Air Force Base, LA
- Beale Air Force Base, CA
- Cannon Air Force Base, NM
- Davis-Monthan Air Force Base, AZ
- Dyess Air Force Base, TX
- Ellsworth Air Force Base, SD
- Holloman Air Force Base, NM
- Langley Air Force Base, VA
- Minot Air Force Base, ND
- Mountain Home Air Force Base, ID
- Nellis Air Force Base, NV
- Offutt Air Force Base, NE
- Seymour Johnson Air Force Base, NC
- Shaw Air Force Base, SC
- Whiteman Air Force Base, MO

**Air Education and Training Command**

- Altus Air Force Base, OK
- Columbus Air Force Base, MS
- Goodfellow Air Force Base, TX
- Keesler Air Force Base, MS
- Lackland Air Force Base, TX
- Laughlin Air Force Base, TX
- Little Rock Air Force Base, AR
- Luke Air Force Base, AZ
- Maxwell Air Force Base, AL
- Randolph Air Force Base, TX
- Sheppard Air Force Base, TX
- Tyndall Air Force Base, FL
- Vance Air Force Base, OK

**Air Force Special Operations Command**

- Hurlburt Field, FL
- Moody Air Force Base, GA

U.S. Air Forces In Europe

- Aviano Air Base, Italy
- Incirlik Air Base, Turkey
- Lajes Field, The Azores
- Naval Air Station Keflavik, Iceland
- RAF Lakenheath, United Kingdom
- RAF Mildenhall, United Kingdom
- Ramstein Air Base, Germany
- Spangdahlem Air Base, Germany



Air National Guard Units

- Birmingham, AL
- Boise, ID
- Burlington, VT
- Charlotte, NC
- Des Moines, IA
- Ellington, TX
- Fort Smith, AR
- Gulfport, MS
- Jackson, MS
- Jacksonville, FL
- Lincoln, NE
- Little Rock, AR
- Madison, WI
- Memphis, TN
- Meridian, MS
- Minneapolis/St. Paul, MN
- Montgomery, AL
- Nashville, TN
- New Orleans, LA
- Oklahoma City, OK
- Peoria, IL
- Phoenix, AZ
- Richmond, VA
- Robins, GA
- Schenectady, NY
- Sioux City, IA
- Sioux Falls, SD
- St. Joseph, MO
- Suffolk County, NY
- Syracuse, NY
- Terre Haute, IN
- Tucson, AZ
- Tulsa, OK
- Volk Field, WI



While DFAS Limestone is geographically far from its customers, a committed investment in automation and

telecommunications technologies has made us real neighbors in every sense of the word.

Through voice and data lines and a video teleconference center, we have instantaneous communications with all our customers, providing excellent support not only to the bases we serve, but also to the vendors who provide goods and services to these bases.

Paying the Bills

Our customers purchase a tremendous amount of goods and services to support their mission. When it comes time to pay the bills, they turn to us. Through our Vendor Pay Product Line, we ensure that our customers' vendors receive prompt and accurate payment. With the database merger, we have created a virtual Vendor Pay environment with our San Antonio partner. Regardless of where our accounting technicians reside, whether in Limestone or San Antonio, they have the necessary access to serve any of our customers. By creating this virtual environment, we increase our efficiency while at the same time continuing to ensure our customers seamless service.

Currently Vendor Pay handles about 386,000 vouchers annually. This number equates to over \$7.0 billion in payments to vendors serving our customers.

Via the Intra-governmental Payment and Collection System, which provides electronic transfers of funds between government activities, we handle nearly 37,000 vouchers annually worth over \$1 billion.

DFAS Limestone continues to work aggressively to move all the vendors it serves to the electronic funds transfer program. Currently we make over 89 percent of all our vendor payments by electronic funds transfer and 98 percent of our payments to individuals are made via EFT. The number of EFT payments made to vendors rises steadily with each month as our vendors learn about the benefits of EFT to doing business in the 21st century.

DFAS Limestone also participates in three programs that significantly reduce paperwork flow while at the same time improving customer service. Electronic Document Access or EDA replaces hard copy documents with electronic images accessible via the World Wide Web. EDA transmits contract award documents (basic contracts and modifications) to DFAS. This process greatly reduces reconciliation problems and associated penalty payments through improved matching of required documents to support payments.

The second paperless initiative is Electronic Document Management or EDM, which was implemented in December 2001. When coupled with EDA, EDM gives DFAS the complete file with which to marry up the contract and modifications, the invoice, and the receipt/acceptance documentation.

To further improve our vendor payment process, DFAS Limestone and its customers recently implemented a third program known as Wide Area Workflow (WAWF). This new electronic commerce initiative allows vendors to submit their invoices electronically and receiving activities to submit their receiving reports electronically, thus reducing paperwork even more and speeding up the payment process.

Balancing the Books

Yet paying the bills is only part of the DFAS Limestone story. Our customers also rely on us to ensure that their accounting needs are met with the highest degree of accuracy and timeliness. In meeting our customers' accounting needs, DFAS Limestone and its partner, DFAS San Antonio have established a working relationship in which some services will be provided to all AETC customers exclusively through one field site while others will be provided by both sites. Much of the division of this workload arises from the economies and efficiencies of having a single database managed at DFAS Limestone. As with Vendor Pay, both partners work together to ensure quality service is provided to each customer. Full accounting support for ACC, AFSOC, USAFE, and the ANG continues to come from DFAS Limestone.

DFAS Limestone maintains funds control and prepares all financial reports for our customers. For fiscal year 2005, we are accounting for approximately \$14.5 billion in current fiscal year authority; that is, the funds our 72 Air Force and Air National Guard customers have to operate with. In total, we process accounting transactions and prepare reports for more than 45 different DoD appropriations.

Our Accounting Business Line's Accounting Operations Division has the overall responsibility for stock fund/medical processing and related trial balance reports, interfund bill processing, all by-others processing, and Intra-governmental Payment and Collection System processing, accounts receivable and reimbursement processing, Foreign Military Sales (FMS) accounting, and Travel Accounting. With implementation of the new Defense Travel

System (DTS), DFAS Limestone is now the single site for all DTS expenditure accounting and Treasury reporting.

The Accounting Reports and Analysis Division has the overall responsibility for monitoring the general accounting and finance database. This includes funds control, civilian pay accounting, monitoring the processing of daily disbursement/collection transactions, for-others and by-others, interfund bills, as well as preparing, analyzing, and submitting all accounting reports.

Automating the Process

DFAS Limestone and San Antonio are committed to using the best in technology, incorporating sound internal controls, in order to provide our customers with quality service. A consolidated Systems Management Office at DFAS Omaha monitors for our Limestone/San Antonio partnership 32 separate accounting and finance operational systems, which are used by our employees.

These applications are considered end-user systems, as opposed to operating system software, communications software, or system utilities. The operational systems are hosted as follows:

- ❑ UNISYS hosted (Ogden, UT)—five applications;
- ❑ UNISYS hosted (Oklahoma City, OK)—one application;
- ❑ AMDAHL hosted (Ogden, UT)—seven applications;
- ❑ Windows NT hosted (base sites)—three applications;
- ❑ Hewlett Packard hosted (Ogden, UT)—fifteen applications;
- ❑ Hewlett Packard hosted (Indianapolis, IN)—one application.

Our local systems personnel maintain the Novell Local Area Network, our personal computers, and telephone communications equipment that support our employees.



Employees at DFAS Limestone are also developing innovative new programs and enhancing older ones through automation tools. DFAS Limestone is recognized as the leader within the DFAS network in the field of database retrievals and LOUIS software, an application which allows the user to write detailed retrievals from large and complicated databases. The President's National Performance Review awarded its coveted Hammer Award to DFAS Limestone for our work with LOUIS. Our employees have created database retrievals which are now saving the DFAS network and the American taxpayer significant dollars, while at the same time providing our customers better service and improving the DoD financial management process. This work also continues with our development of Access databases, which are being used not only at Limestone, but at other field sites supporting the Air Force workload.

As technology advances and older applications such as CITS-Paperview (MAPPER) have been replaced by faster, real-time, user-friendly applications, such as the Commanders Resource Integration System or CRIS, DFAS Limestone and San Antonio continue to search for ways to reduce or eliminate manual and repetitious labor by highlighting automation capabilities. Through our use of LOUIS, OLRV, CRIS and Viewfinder, we have provided our employees valuable tools to empower themselves, stressing their ownership of the work they perform, and enabling them to meet and exceed customer needs.

Sustaining the Infrastructure

To make the partnership between DFAS Limestone and San Antonio a success, it's important not only to have

strong services in Vendor Pay, Accounting, and Systems, but also to have vital and flexible internal services and employees at each site. As this fact sheet on DFAS Limestone indicates, the field site has made a real commitment to these internal services and employees.

Before any vendor can be paid, before any accounting report can be prepared, there must be the infrastructure in place to give our employees the best services and work environment in order to allow them to offer the best to our customers.

Our Corporate Resources Field Operations is responsible for the day-to-day running of the services and support necessary to meet our employees' needs. While the facility in which DFAS Limestone is leased by the Air Force for DFAS use at no cost, the Field Operations staff of Corporate Resources perform the routine preventive maintenance and repair to the building infrastructure. And because the building is owned by the Air Force, there are no lease or rental fees associated with it. Overall, operating costs of \$5.50 per square foot are the sixth lowest in the agency.

Field Operations staff provide mail service, safety, security, supplies, facilities maintenance, printing, publications services, and records management.

While voice and data lines provide instant communications with our external customers, these technologies are still supplemented by a vigorous mail program. In support of its customers, the Limestone Field Operations processes over 4,000 pieces of mail each month.



Developing our Employees

Continuing the focus on employees, DFAS Limestone employs 353 DoD civilian personnel, making it one of the largest accounting firms within the state of Maine. There are also eight DFAS Limestone employees at a satellite office in Germany and 46 employees in our accounting operation in San Antonio.

DFAS Limestone recognizes that an effective, mission-oriented, customer service organization starts with opportunities for professional and personal growth for its employees. Without these opportunities, it becomes more difficult to offer quality products and services for our customers.

For DFAS Limestone employees, professional growth begins with a wide variety of classroom and on-the-job training available to all employees on a regular basis. These opportunities range from traditional classes in finance and accounting to courses in customer service, change management, team building, and equal employment opportunity principles.

DFAS Limestone can boast one of the most educated workforces within the agency. Thirty-six percent of our employees hold a bachelor's degree or higher; another 14 percent have an associate's degree, and more than 85 percent have at least some university education. Because of the importance of higher education to the DFAS Limestone workforce, employees are offered the chance to attend college courses through the Tuition Assistance Program, whether in the building or at one of three local colleges. There is also a strong Student Career Experience Program with the local colleges.

Our Learning Center is the focal point for nearly all our professional development. Through state-of-the-art classrooms, cutting edge information technology, Web-based training, and instructional aids from textbooks to videotape training to satellite instruction, our employees have a wide range of educational and training opportunities within easy reach.

The result of DFAS Limestone's emphasis on a well-trained, well-educated workforce can be seen in the



numbers of professional accountants and accounting interns. Currently DFAS Limestone has 12 percent of its workforce classified as professional accountants or GS-510s.

To further professional development, DFAS Limestone is actively involved in the agency-wide Mentoring and Coaching Program and has been recognized for

having the strongest program in the agency. The goal of the program is to help employees increase their capacity through growth and learning. By sharing their wisdom, knowledge, and experience, mentors and coaches help other employees realize their full potential. This in turn develops a workforce that is equipped to handle the current skill requirements as well as the future challenges in our changing environment. The program's target audience is every employee regardless of geographical location, business line, job series, pay grade, or level of experience within the DFAS organization. Participation in the program is voluntary.

Also, our employees have the opportunity to join the Crown of Maine Chapter of the American Society of Military Comptrollers which is the professional organization for those involved in DoD financial management. DFAS Limestone has an active professional certification program which encourages and helps employees obtain their Certified Defense Financial Management certification or other nationally recognized certifications. In fact Limestone is able to offer the CDFM Certification Exams on-site, eliminating the need for employees to make a six hour round trip to Orono, Maine and the former nearest test site.

To meet health needs, both physical and mental, DFAS Limestone has partnered with the Federal Occupational Health Administration to operate a Wellness Center, staffed by a full time registered nurse, who provides a number of services, including health seminars, CPR training, and organizing such vital activities as blood drives.

DFAS Limestone has a small fitness center on-site. We have an intramural sports program, recreational equipment and an Employee Assistance Program tailored to meet the needs of both military/civilian employees and their family members.

And through various special emphasis programs and family-oriented activities, together with an active Booster Club, DFAS Limestone offers many opportunities for employees to bond in real and important ways outside the office setting. There are also strong employee recognition and award programs.

DFAS Limestone also benefits from a highly successful partnership with its American Federation of Government Employees Local 294.

Joining Hands with the Community

DFAS Limestone also serves in the local community. In monetary terms, DFAS Limestone has an annual economic impact of more than \$20 million through personnel salaries and contracts for goods and services. But the impact reaches far beyond money.

Employees participate in the local school systems, religious organizations, fraternal groups, business organizations, and charities.

DFAS Limestone also offers internships to local college students. And through its donation of used computer equipment to local public schools, DFAS Limestone is providing excellent opportunities for elementary and high school students to enter the information age of the 21st century.

DFAS Limestone has become an integral thread in the economic, social, and cultural fabric of Aroostook County and has made a commitment with local communities to ensure county residents real opportunities for professional and personal growth into the 21st century.

Reaching Us

DFAS Limestone has two customer service numbers for easy access by vendors: 1-800-337-0371 or 1-800-390-5620. We can also be reached through the World Wide Web, with: <https://dfas4dod.dfas.mil/centers/>. Just look for the Limestone page there. Also currently Limestone is in the forefront of developing the agency's intranet, eportal.dfas.mil, as a communications, information, and work area gateway for our customers. Limestone has nearly 270 customers as members of its intranet community. Customers wishing to join the Limestone ePortal Community should email their requests to dfas-li-eportal@dfas.mil.

To contact the Performance Management and Audit Compliance Office, call (207) 328-1160 or DSN 220-1160. The fax number is (207) 328-1120.

Congress of the United States

Washington, DC 20510

July 14, 2005

General Lloyd Newton, USAF (Ret.)
Base Realignment and Closure Commission
2521 South Clark Street
Arlington, VA 22202

Dear General Newton:

At the July 6, 2005 regional hearing in Boston, Massachusetts, you requested additional information with regard to the DFAS Limestone Field Site. Specifically, you requested that we provide the Commission with information detailing the estimated cost to increase the number of positions at Limestone to 600 and to 1,000. The information you requested is attached. We certify that the attached information is accurate and complete to the best of our knowledge.

As was presented in Boston, the Limestone facility can accommodate an additional 239 people for a total of 480 people with no military construction costs. Growing DFAS Limestone to 600 employees can easily be accomplished with minor facility upgrades such as modifying existing space and purchasing work stations. Cyr Construction of Caribou, Maine, has estimated the cost of these upgrades to be approximately \$1.2 million.

Expanding the facility by an additional 400 employees to a total of 1,000 workers would require construction of an addition to the existing facility. The DFAS Limestone facility sits on 15 acres of open land, so expansion is not a problem. The Loring Development Authority has agreed to donate the land necessary for expansion, including parking spaces and buffer areas, at no cost.

Cyr Construction has provided a certified estimate that the cost of construction of a two story, 70,000 square foot addition, including data and communications infrastructure, would be \$6.3 million. Adding workstations for 400 employees would cost an additional \$1.88 million. The total cost of the addition would be \$8.18 million.

We have included the results of COBRA runs for three scenarios: increasing Limestone's workforce to 480; increasing it to 600; and increasing it to 1,000 positions. For each personnel level, we ran the COBRA model using DoD generic assumptions for military construction costs, and using certified data for military construction costs at the Limestone Field Site provided by Cyr Construction, a local contractor who has performed extensive work at the site. **These COBRA runs show that in all cases, greater savings can be achieved by expanding DFAS Limestone instead of closing it as recommended by the DoD.**

We also have included information detailing how the workforce would be expanded to meet these increased personnel milestones.

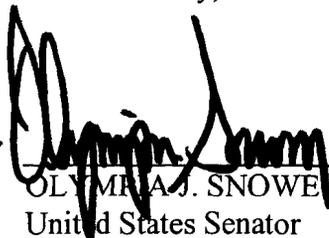
As we discussed at the July 6 hearing, the attached information demonstrates that increasing personnel at the Limestone Field Site would maximize savings and reduce costs overall relative to the DFAS consolidation proposal put forward by the DoD.

Please do not hesitate to contact us if you need any additional information in performing your vital mission.

Sincerely,



JOHN E. BALDACCI
Governor of Maine



OLYMPIA J. SNOWE
United States Senator



SUSAN M. COLLINS
United States Senator



THOMAS H. ALLEN
United States Representative

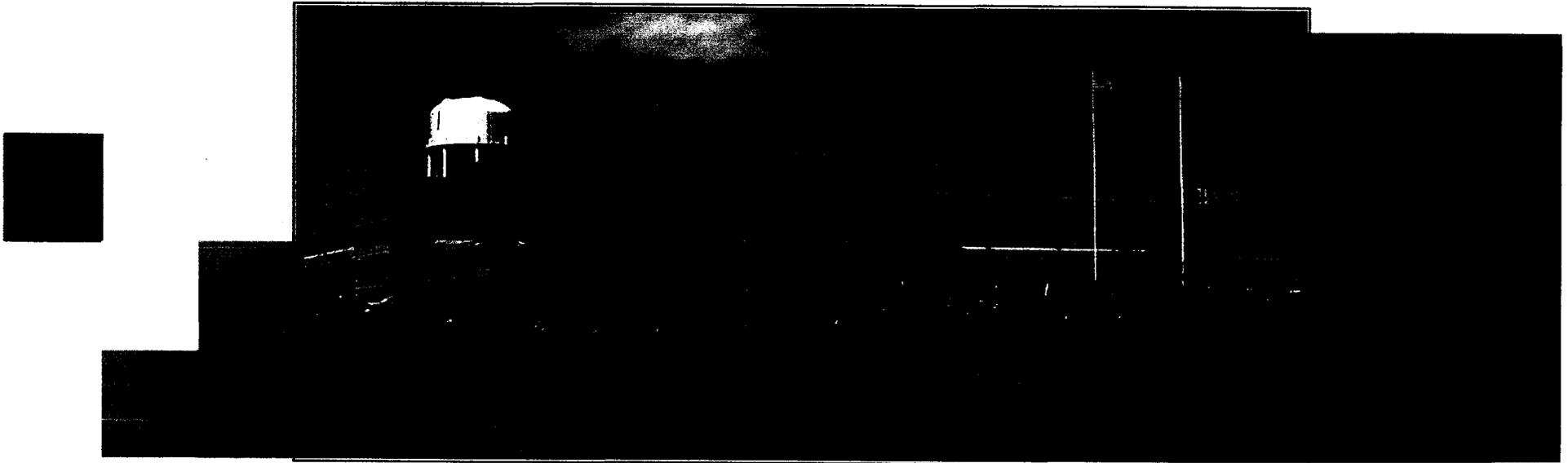


MICHAEL H. MICHAUD
United States Representative

cc: Sec. Anthony Principi, Chairman, 2005 Base Realignment and Closure Commission
Hon. James Bilbray, Member
Hon. Philip Coyle, Member
ADM Harold Gehman, USN (ret), Member
Hon. James Hansen, Member
Gen. James Hill, USA (ret), Member
Hon. Samuel Skinner, Member
Gen. Sue Ellen Turner, USAF (ret), Member

DFAS Limestone

A Compelling Case for Growth



Submitted by Grow DFAS Committee

To General Lloyd W. Newton

June 28, 2005

**** Welcome ****

General Lloyd W. (Fig) Newton

and

Marilyn Wasleski

**Thank You for Visiting
Limestone!**

2015 closed Syd 1999
off base
May - 1st major stride in closing
closure

Background

- Activated in 1995
- Currently employs 353 people
- One of only two DFAS facilities specializing in Air Force customers
- Serves 38 Air Force Bases and 34 associate National Guard units from California to Saudi Arabia
- Prepares all financial reports for Air Combat Command, USAFE, AFSOC and associated Air National Guard units

Executive Summary

- The DOD decision to close Limestone deviated substantially from BRAC selection criteria

Feel faulty conclusion with military value - relate to Faulty conducting and - ferrying work force criteria.

- Military value
- No cost savings
- Economic impact

⇒ Feel no cost savings. Concise conclusion has met as a overall best cost not limestone been a corner stone of redevelopment efforts 114 of 25 at 2017 1450 employees -

- DFAS-Limestone should be expanded

- contract DFAS and 300

- Low operating costs
- Excellent workforce
- Room to grow

ALTHOUGH DD identify employees problem - left it on the table

Flaws in Military Value Assessment

■ Flawed assumptions

Force protection

Workforce availability

- Assign zero - in report base, not located on a mil base - but classes can get -
Been a lot of enhancements - Antitank -
Force gates, fence, camera -
While not on a base not fair to give no value to assign no value.

How did hiring interview - 9-12 days -
from job posted to identify successful
Candidate - as fairly

■ Flawed Data

Facility condition should be ranked "green"

Land availability

MEAT of 100,000 in room, 120 - so got a zero - but

- Considered some Funding requests -
for addition, sewer, camera - etc -
- many elective expenditures so should be green

need to go beyond that - clearance of
Lory - left from
with undercryptment.
- 34, m 1955 - 305 of
As 30 in Arizona for
say 2
\$25,000

15 acre site -
All mt energy - Lory Don during
will donate some land at no cost

■ Correct score should be at least .843 - above the three receiving sites

Acq to ensure 9 years - - Funding open 8 years -
Need to consider chronic unemployment - - of expansion
MSA - to 1 hour drive - would get to 100,000 - not
uncommon for people to drive 1 hr to work in area

Styl/Company
in NE - 59,000 -
56 34,000 - A-DEAs
shows class - they are
employer of choice.

Flaws in Cost Savings Analysis

- Closing low-cost efficient facilities is not in the government's best business interest
- COBRA model runs demonstrate:

*Just
The
model
has potential*

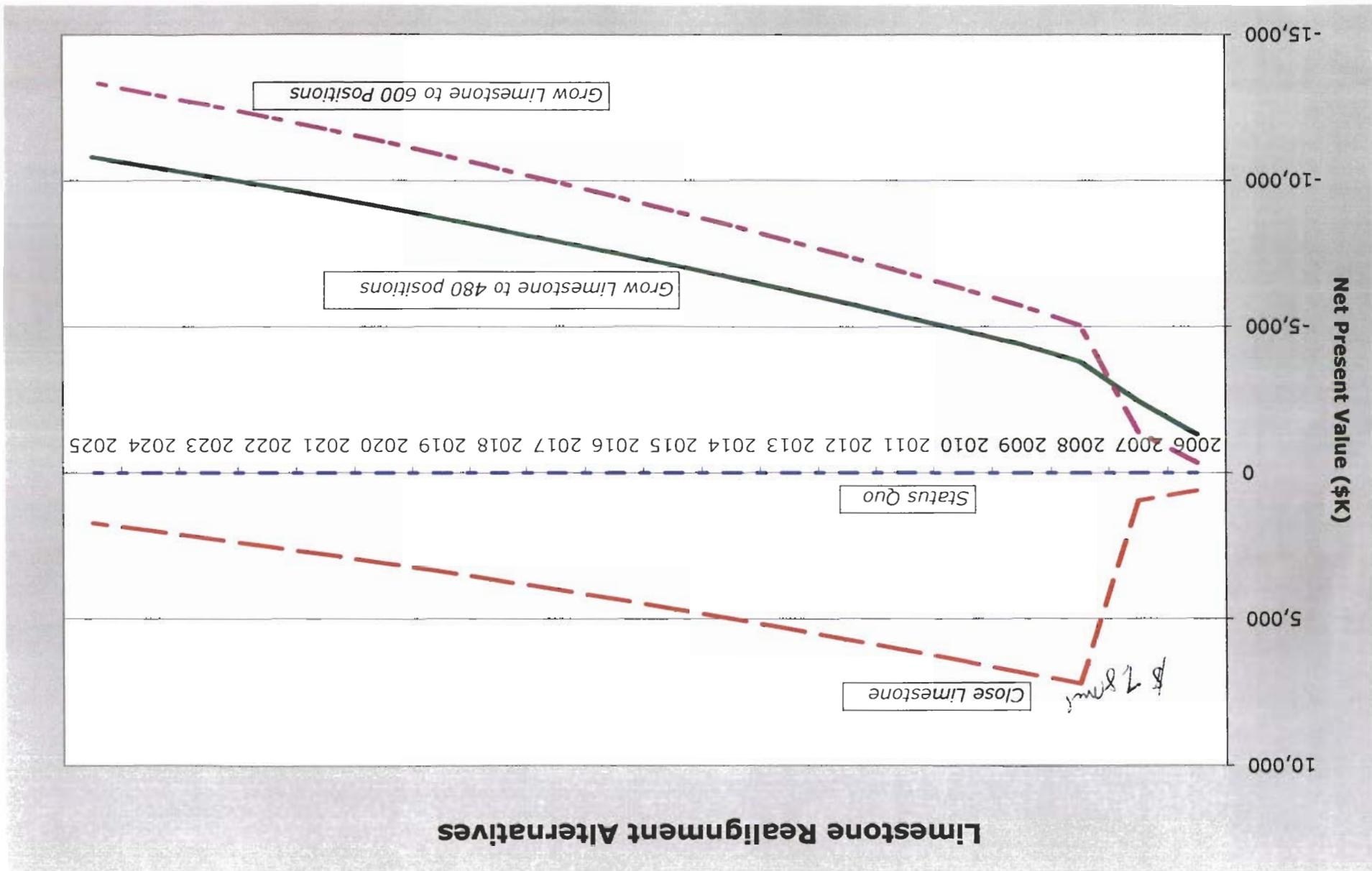
- Closing requires a one time expenditure of \$7.8 million which would take 25 years to recover
- BRAC cost savings are increased if DFAS Limestone remains open

Flaws in Cost Savings Analysis

- Enlarge to 480 employees
 - Immediate, substantial return on investment, strengthening case for consolidation to Limestone
 - Government saves \$10.7 million in implementation costs
 - NPV savings of \$12.5 million

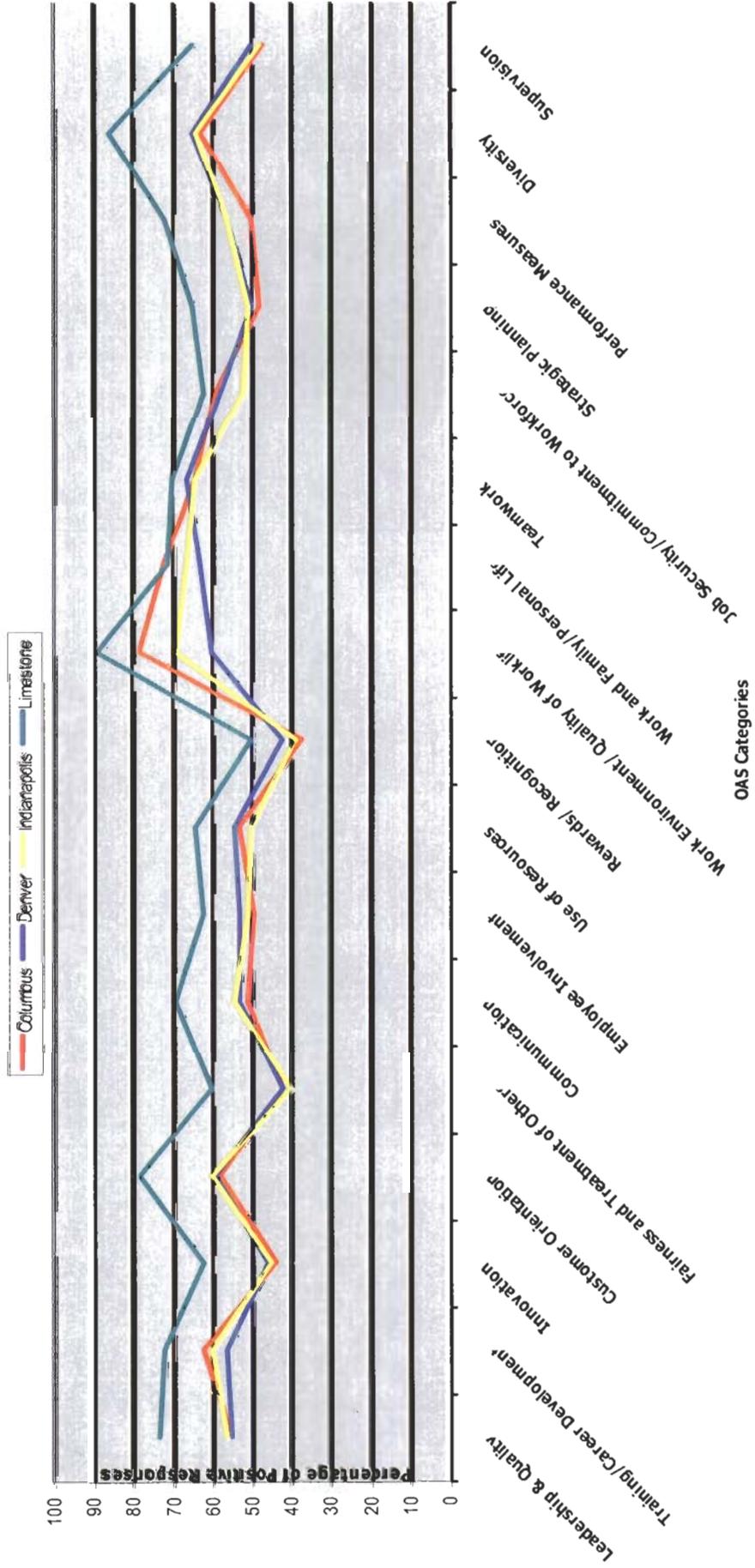
Flaws in Cost Savings Analysis

- Enlarge to 600 employees
 - Immediate, substantial return on investment, further strengthening case for consolidation to Limestone
 - Government saves \$11.9 million in implementation costs
 - NPV savings of \$15.1 million



DFAS Survey Respondents Agree: Limestone is the Best

2005 OAS Survey Results



Flaws in Economic Impact Analysis

- **Economic impact not considered in closure decision**
- **Economic impact more severe than for other DFAS areas**
 - **Second BRAC closure for Limestone – still recovering**
 - **Average pay at center is \$39,000 which is 56% higher than the local average of \$25,000**
 - **Job losses would result in more than a 1% increase to the local unemployment rate -- the highest of all 26 DFAS communities**
 - **Total loss of direct and indirect jobs 546 or 1.7% of entire employed workforce**

*Compound
and out migration
problems*

DFAS Limestone

Center of Excellence

DFAS Transformation Plan

- DFAS is a virtual organization – can be located anywhere technology allows
- DFAS future structure undetermined pending BRAC outcome
- Centralize “like” missions and functions across DFAS into a single or limited number of locations to achieve efficiency, reduce costs and incorporate best business practices
- DFAS is moving towards Centers of Excellence

Limestone – Center of Excellence

Low Cost – Highly Efficient – Secure Facility

- Reputation for excellence
- Low operational cost
- Low expansion cost
- Available superior workforce
- State-of-the-art technology in place

Excellent Reputation for Quality and Efficiency

- **"They [DFAS Limestone] have a reputation in DFAS... a good one. . . We think we can be more efficient doing the work here."**
 - -- Former Under Secretary of Defense Comptroller, Dov Zakheim, who toured the Limestone facility in June 2003

- **DFAS Limestone is recognized as the leader within the DFAS network in the field of database retrievals, ePortal, and LOUIS software**

- **DFAS Limestone has successfully absorbed all realigned workloads with no mission failures**

- **DFAS Limestone received the President's National Performance Review Hammer Award**

*- accepted
work for
Denver, SA
+ evirge.*

Excellent Value

- **Cost of Facility Operations = \$4.98 per square foot, lower than all three gaining locations: Columbus (\$8.27), Denver (\$9.15), Indianapolis (\$14.96)**

- **Locality Pay Costs = 10.9, lower than all three gaining locations: Columbus (13.14), Denver (16.66), Indianapolis (11.11)**

“Rural areas can offer lower real estate costs, improved security, reduced parking and traffic congestion problems and better access to major transportation arteries.”

-- GAO Report, September 2003

look up report — C

Limestone is Ready to Expand

- Has excess capacity of nearly 24,000 square feet or 35% of its utilized space.
- Room to expand its current mission up to 480 employees at minimal cost
- Could accommodate up to 600 employees with minor renovations
- Could accommodate 1200 employees with minor renovations and two shifts
- DFAS Limestone in year 1 of a 50 year no-cost renewable lease

- Lovig Redevelopment Authority - would provide more land at no cost

Limestone Employees: A Huge Asset

■ High Job Satisfaction and Morale

- Turn over rate below 5%
- Sick leave rate lower than DFAS national average

■ High Education Level:

- 85% with some college education
- 50% with associates degrees
- 36% with bachelors degree or higher

■ Excellent Labor Relations: No formal grievances or EEO complaints filed in its 10 year existence

Available Workforce

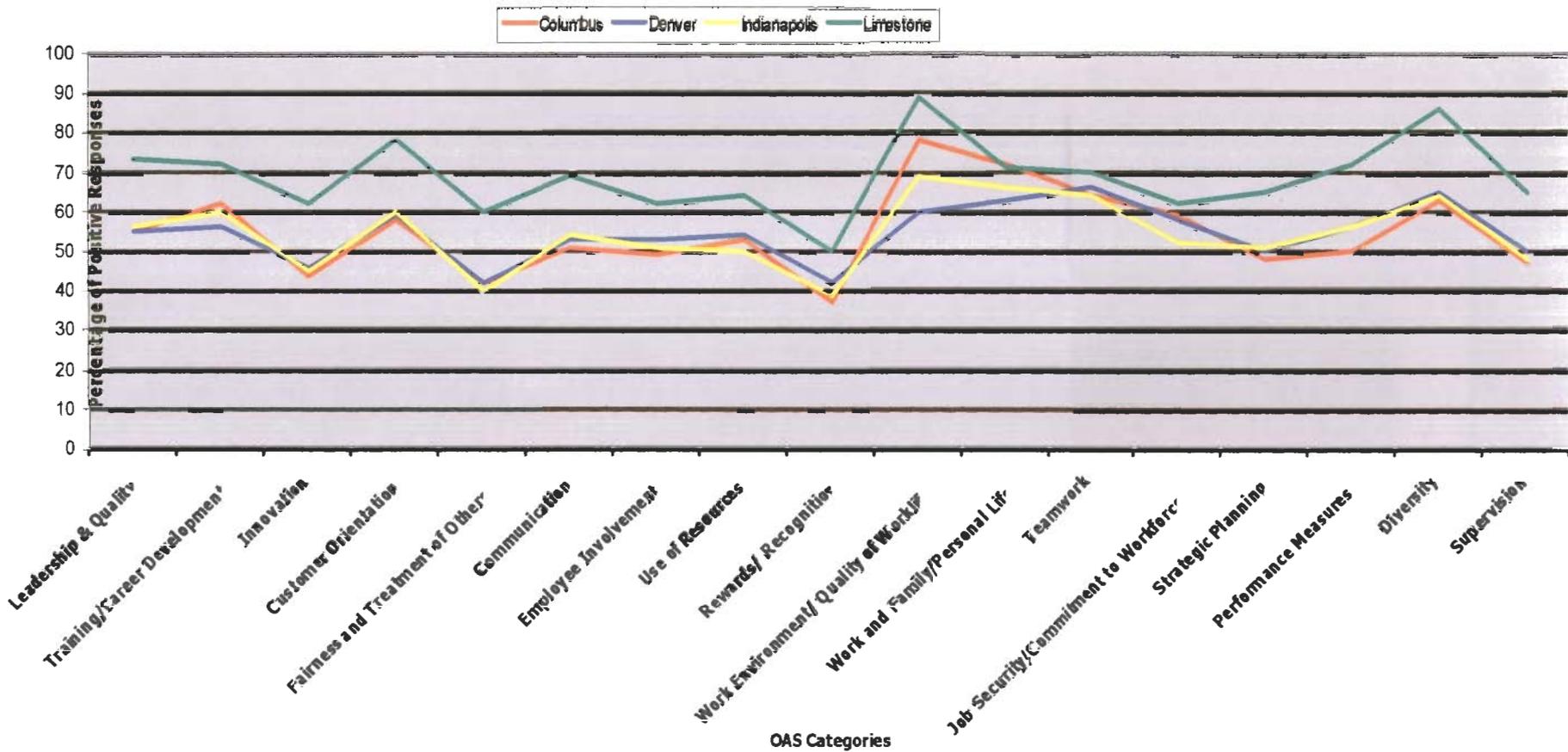
- Deep applicant pool: 400 qualified applicants for 80 jobs in 2002.
- New hires take only 9.2 days to complete – the shortest among all 26 DFAS centers.
- Strong Local College Support: Two branches of the University of Maine, Northern Maine Community College, and Husson College are located within easy commute provide worker training and education in accounting and finance operations.

Pepper went to stay in the area - account so he could find out pay for SIS -

Applicants do Jul Opens - 240 SIS - 1200 AM results on Monday

DFAS Survey Respondents Agree: Limestone is the Best

2005 OAS Survey Results



From DFA's records

CONCLUSIONS

- **The Commission should re-examine DOD's military value model, cost savings analysis, and should fully consider the economic impact on the community – there are substantial deviations**
- **There is no financial benefit to DOD from closing Limestone, while the economic impact would be devastating**
- **Limestone is a recognized innovator and leader**
- **Growing a Limestone Center of Excellence is a win-win proposition for DOD, DFAS customers, and the Community**

General Newton Again - Thank You for Coming!

- Please feel free to contact us further
 - **Carl Flora – Loring Development Authority
(207) 328-7005 EXT. 2**
 - **Walt Elish – Aroostook Partnership for
Progress (207) 498-8731**

DFAS – Limestone
The Model for DFAS Operations

CARL FLORA

207.328.7005 x2 (w)

DFAS Limestone was activated in May 1995, currently employs 361 people, and serves 38 Air Force Bases and 34 associate National Guard units from California to Saudi Arabia. DFAS Limestone maintains funds control and prepares all financial reports for its customers. For fiscal year 2004 which ended on September 30th, Limestone's customers included Air Combat Command, USAFE, AFSOC, and associated Air National Guard units. The Site accounted for approximately \$11.4 billion in current fiscal year authority; that is, the funds their Air Force and Air National Guard customers had to operate with.

The DFAS Limestone Field Site is located in an exemplary facility with state-of-the-art technology, highly trained and motivated employees, and provides base level premier finance and accounting services. DFAS Limestone has a proven track record of efficiently and effectively performing its mission at a lower cost relative to other DFAS sites in a state-of-the-art, readily secure facility.

Cost of operations at DFAS Limestone:

- With operating costs at \$4.39 per square foot (see 2004 Real Estate Fact sheet), DFAS Limestone's are the fifth lowest in the system, about half the cost of the existing centers in Columbus and Indianapolis, and well under a third of the operating costs at Denver. The locality pay (cost of living ratio to pay) for DFAS Limestone is 10.9, the lowest ranking in the system and is well under all three sites proposed for consolidation. The facility occupies the building under a 50 year no-cost renewable lease with the Loring Development Authority and is available to DOD's current and future expansion needs far into the future.
- The facility currently has excess capacity of nearly 24,000 square feet or 35% of its utilized space. DFAS Limestone could expand its current mission up to 480 employees (approximately 32% increase) at no cost and could accommodate up to 600 employees (65% increase) with a minimal investment. Further expansion is also possible, especially if DFAS allows the Limestone site to conduct shift work activities: Site employment could more than double. Commercial space is also available for DFAS Limestone's ancillary needs contiguous to the site. Unlike the consolidation centers, the DFAS Limestone site has ample space to expand its facility if needed. Situated on nearly 15 acres, new construction could easily be accommodated for the facility at a much lower operating and construction costs than at the proposed consolidation centers in Indianapolis, Columbus and Denver.

Proven Track Record:

- When the former Under Secretary of Defense, Comptroller, Dov Zakheim, toured the Limestone facility in June 2003, he correctly noted that, "They [DFAS Loring] have a reputation in DFAS, a good one. We are looking to bring people back from [DFAS centers] in Europe, and I see a good quality of work here. We think we can be more efficient doing the work here."
- DFAS Limestone is recognized as the leader within the DFAS network in the field of database retrievals and LOUIS software, an application which allows the user to write detailed retrievals from large and complicated databases. The President's National Performance Review awarded its coveted Hammer Award to DFAS Limestone for their work with LOUIS.
- The U.S. Department of Energy awarded the Limestone team with the Federal Energy Saver Showcase award for reducing its electrical consumption. DFAS Limestone employees have created database retrievals which are now saving the entire DFAS network and the American taxpayer significant dollars, while at the same time providing its customers better service and improving the DOD financial management process.

- In ~~2002~~ ²⁰⁰⁵ a vendor pay “Tiger Team” was established to perform work for other sites that needed assistance, with 17 employees hired. In October 2002, decision to realign Air Force accounting and vendor pay workload resulted in the creation of 80 new positions that would generate an additional \$4 million in salaries and would save DFAS \$11.5 million over 5 years.

Assets and experience:

- Defense Information Systems Network (DISN) Point of Presence is utilized and was installed in 1994 to accommodate the facility.
- The majority of the workforce is recruited from the local area and are unable or unwilling to transfer; resulting in a high retraining burden for consolidation centers and ultimate failure. Unique workload performed for USAF in Europe and SW Asia AOR requires specialized expertise that would have to be acquired by another site since most of the existing workforce would not relocate. DFAS Limestone is the single site for all Defense Travel System (DTS) expenditure accounting and treasury reporting for all of DOD, which would also have to be transferred.
- Employee satisfaction is high, especially in comparison with some of the consolidation sites which are troubled with labor difficulties and a high numbers of grievances. Employee turnover at DFAS Limestone is less than 5%; most employees consider their employment as a life-long career whereas the consolidation centers attract many more workers who view their jobs as stepping stones to another job in the federal civil service or the private sector. Therefore, the facility saves overall training and retraining costs to the Federal Government.
- DFAS Limestone can boast one of the most educated workforces in the system. Over 85% of current employees have some college, 50% have an Associates Degree or higher and nearly 36% have a Bachelors Degree or higher (3.2% have Masters Degrees). Average length of service is nine years, with 11 years in Accounting Services, 6 years in Commercial Pay Services and 21 years in Corporate Resources. DFAS Limestone has an active professional certification program which encourages and helps employees obtain their Certified Defense Financial Management certification or other nationally recognized certifications. In fact Limestone is able to offer the CDFM Certification Exams on-site.

Capacity to Expand and Recruit Employees:

- As noted earlier, the facility currently has excess capacity of nearly 24,000 square feet or 35% of its utilized space. DFAS Limestone could expand its current mission up to 480 employees (approximately 32% increase) at no cost and could accommodate up to 600 employees (65% increase) with a minimal investment.
- DFAS Limestone consistently attracts qualified and dedicated employees each time it hires new employees; with resumes received to position ratios exceeding 4 to 1 in most cases. 1988-2002 indicate an average total employment base of 35,439. Recruitment of highly qualified new employees is accomplished with ease, with an average hiring time of only 9.2 days, the shortest job recruitment interval in the entire DFAS system. The facility has consistently received employee and center awards and tops the list of DFAS centers for employee satisfaction with less than 5% employee turnover rate. DFAS Limestone has developed a strong partnership with the Loring Job Corps Center, also located on the Loring Commerce Centre, co-sponsoring cultural and athletic activities and offering Job Corps students an insight into career opportunities within the Federal Government.
- Worker training and education is easily accessible for accounting and finance operations, with two branches of the University of Maine and two community colleges located within an easy commute. The Northern Maine Community College changed its curriculum in recent years to accommodate

DFAS Limestone's training and educational needs, including on site business and accounting classes.

Physical Capacity of Facility:

- Defense Information Systems Network (DISN) Point of Presence is utilized and was installed in 1994 to accommodate the facility.
- DFAS Limestone is located in a premier facility in the former base hospital that was constructed by DOD in 1988 at a cost of \$20 million, with a recent \$6 million investment completed in 2001 to maximize space efficiencies and accommodate a planned expansion. The 141,200 square foot building is located on approximately 15 acres. The facility currently has excess capacity of nearly 24,000 square feet or 35% of its utilized space. The facility has the current capacity to house approximately up to 600 employees. The physical plant is second to none within the DFAS network with redundancy of heating and air conditioning systems throughout, as well as two 400kw Caterpillar diesel generators for emergency power.

DOD Misconceptions and Faulty Data

According to DOD, DFAS Limestone is not secure and closing DFAS Limestone will increase security:

- Closing DFAS Limestone and consolidating to major urban areas like Indianapolis, IN, Columbus, OH and Denver, CO will not increase security. By consolidating the operations to a few large centers, it dramatically increases the ability of a single attack to disrupt the system. It does not have to be a terrorist attack. If a widespread power outage were to occur again as happened in 2003, it could also cripple the system.
- The Threat Assessment rating assigned to the facility is low. The facility condition was rated a RED because it is not located on a DOD installation. Neither is the recommended receiving site in Indianapolis whose Threat Assessment (moderate/low) is greater than Limestone.
- DFAS Limestone is on its own local power grid with back-up generators.
- Current access to the facility requires a key card to pass through the security entrance; visitors may enter only with an escort. An anti-vehicle fence is installed and the parking lot will soon be key card access only. The facility has continued to upgrade its security protocol measures and with minimal investment (perimeter fence and armed personnel) can meet the standards outlined to become a secure facility.
- The Loring Fire Department with hazmat training and equipment is minutes away. The Weapons of Mass Destruction (WMD) team is stationed in Waterville and has the capability to respond rapidly. Aroostook County has three teams to handle such incidents, all located within minutes of DFAS Limestone. Around the clock police protection is provided by the Aroostook County Sheriff's Department through the Town of Limestone.

According to DOD, closing DFAS Limestone will increase efficiency and customer service:

- **DOD's number of employees and subsequently the economic impact on community are wrong:** Publicized figures indicate current employment at DFAS Limestone of 241, although the Capacity Analysis Report states that DFAS Limestone has 279 authorized personnel. Current employment at the facility is 361. This inaccuracy casts DOD justifications into doubt.
- In order for the recommended consolidation process to be successful, it must be carried out at minimal cost with little or no negative impact on customer service. DFAS Limestone has amassed such an impressive record of success on all metrics related to the performance of its employees; it continues to represent an excellent bargain to the US Government. It is hard to imagine that the DOD will achieve significant cost savings through closure of this cost-efficient facility while

factoring in relocation, unemployment, retraining, cost of living differential to transferring employees and associated new construction costs at consolidation facilities.

According to DOD, DFAS Limestone has no capacity to grow:

- The facility and many others like it were penalized and not given a ranking in this area because it is not located near a Metropolitan Statistical Area (MSA) of over 100,000 making it impossible for Rural America to be included. In September 2003, the General Accounting Office released a Report titled: Facilities Location – Progress and Barriers in Selecting Rural Areas and Using Telework. The Rural Development Act of 1972 has required federal agencies to give first priority to locating new offices and other facilities in rural areas. The study found that “Rural areas can offer lower real estate costs, improved security, reduced parking and traffic congestion problems and better access to major transportation arteries.” It is clear that the BRAC process did not consider any of these factors when considering existing and/or future facilities, in fact, it appears that the criteria was written to exclusively exclude these areas and facilities. As stated above, recruitment of highly qualified new employees is accomplished with ease, with an average hiring time of only 9.2 days, the shortest job recruitment interval in the entire DFAS system.

Economic Impact of Two BRACs:

- The case for DFAS Limestone stands on the merits of the great work done at the secure facility at a competitive cost, but the effects on the local economy and the second BRAC this closing would represent to the area should be taken into consideration.
- The closure of the former Loring Air Force Base in September 1994 had a devastating effect on the local economy. At the time of the closure announcement, the facility employed 4,500 military and 1,100 civilians. Scores of businesses closed, mil rates rose drastically in the surrounding communities because of a decrease in school enrollment, business failures and an overabundance of vacant commercial and residential real estate were prevalent. It has been a long, slow, painful recovery, but DFAS Limestone has been the cornerstone of that recovery and has provided area residents with well paying jobs with benefits.
- The facility is home to 361 employees. Average pay at the Site is \$33,780, with an annual payroll impact of over \$12 million. DFAS Limestone has an annual economic impact of approximately \$16 million through personnel salaries and contracts for goods and services, which is greater than the estimated economic impact.

2005 Base Closure & Realignment Commission

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6/28/05
 Comments
 Brief

BASE VISIT SIGN IN SHEET

Name	Title	Organization	Contact	Email
Robert H. Rice	Smsgt (Ret)	Green DFAS	207 493-9930	RPRice@maine.ni.com
Andrew Brubaker	City Manager	Caribou	207 493-3324 Ext 230	manager@cariboumaine.org
Robert Edgeland	State Rep.		426-3188	red@edge.com@maine.ni.com
Jeremy Fischer	State Rep	Presque Isle	551-3097	Rep Jeremy, Fischer@legislature.maine.gov
Math Miller	The PMB Group	Associate	207/415-0344	math.miller@theprmg.com
JEAN CLUKER	STATE SENATOR	MAINE LEGISLATURE	207-532-6363	SEN JEAN.CLUKER@LEGISLATURE.MAINE.GOV
DON PRESCOTT	Chairman	ANDROSCOPK PARTNERSHIP FOR PROGRESS	207-528-2211	jprescott@knhadmindust.com
HARRY CONRAD	DIRECTOR	DFAS LINES DENT	207-328-1100	harry.conrad@dfas.mil

Community Brief
Lineators

①

- Arrostrock City -
1970s of County removed
with leaving ^{FEB} closing

- A lot of out migration
1970s 15,000 - modest of the
state

Though sub to redevelop.

UCLA Arrostrock Partnership on
Economic Progress

Created a address issues of
out migration.

Raised \$1.2 mil - for economic
Business Attraction
It can create high quality jobs paper
will stay.

- Feel can't afford to lose another
Factory in DFA

DFA's employees of children
Arrostrock City
can't afford to live there
as leave the county.

— "Grow DFAS"

— Chart — Assumption used
— Detailed Discussion

See (Matt) isolated DFAS and ran scenarios
sub to gave us —
an explanation

Feas & econ projects should have been
considered.

Need 20% of economy disappear
in country — car dealerships left
etc mass exodus

Also using DFAS would be part of a
major exercise that they would
to have fought so hard to get.

Not just loss — but loss of
employer of choice.

— People lose something inspiring to
get to.

PTAS Transformation Plan
 The PTAS Unit should be
 expanded - not just remain the same

-
- Feed Unit into PTAS Transformation Plan -
 - Reputation for excellence -
 - Low cost, some family
-

Of course - can take advantage of
 low cost structure here.

-
- Renovation costs
- 480 employees initially work
 station - cost £
 - \$ 391,000
 (4,000 each per wk station)
 - add 92 wk station
 have some surplus in plan

Open to 600 -

- 120 add 4 wk station
- \$ 808,000

- If build an addition -
 can do it at a lower cost

~~Practical by Matt~~

News
going to 400 - assured no m/cch
(es)

\$ 112 mil in 600 - in News
Cch - a key
provided

Newton

Look at data -
and where can get the best value

What happens if failure -
how can recovery

Facilities here are good ^(interim) for
recovery. - Can recover if
go down.

Cory Mickel -

- A lot of workers are veterans
16% of pop - veterans

(5)

OTAS lose would add \$1.3 to tax?
reunemployment -

DFAS Limestone, Maine**Commissioner Newton Itinerary
28 June 2005****Marilyn Wasleski – Lead Analyst, DFAS Limestone**

TIME	EVENT	LOCATION	POC	ACTION
27- June				
1905 (7:05 p.m.)	Leave Airport for Boston, MA	Buffalo Airport	Marilyn Wasleski (410) 693-1852	US Airways Express, FL 3159
		Ritz Carlton 10 Avery Street Boston, MA		We will take a cab to the hotel. It is about a 15 minute ride.
28 - June				
0800 (LV)	Flight to Presque Isle	Logan Airport, Boston	Via cab from hotel to airport	US Airways Express, FL 4958
0939 (AR)	Arrive Presque Isle	Presque Isle Airport		Will be escorted to the site by Governor Baldacci and Congressman Michaud (Note: It is about a half hour ride to the site from the airport.)
1030 - 1200	Commission Brief DFAS Limestone and facility tour	DFAS – Limestone	Larry Conrad, Site Director (207) 328-1100	Briefing and Tour
1215 – 1330	Community Brief Working Lunch	Loring Applied Technology Center	Carl Flora, Exec. Director, Aroostook Partnership for Progress Walt Elish, Grow DFAS Committee	Community Briefing
1330 - 1345	Meet with Press	Loring Applied Technology Center		
1345 (LV) 1415 (AR)	Leave for Airport	Presque Isle Airport		A ride will be provided back to the airport.
1500 (LV) 1635 (AR)	Flight 4957 US Airways to Boston			



DFAS BRAC Commission Update

Mr. Larry Conrad
Director, DFAS Limestone

Agenda



- DFAS at a glance
- DFAS customer service matrix and organization
- DFAS success stories
- DFAS Limestone information
- The road ahead



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DFAS at a glance -- The big picture



- Mr. Zack E. Gaddy's priorities:
 - ✓ Take care of our customers
 - ✓ Improve our operations to become world-class in all we do
 - ✓ Deliver the best value that excites our customers & motivates our employees

"These are exciting times for DFAS as we continue to transform & assert our role as the finance & accounting leader in the Department of Defense & ultimately in the federal government. NOW is the time for us to make a difference. I know I can count on you."

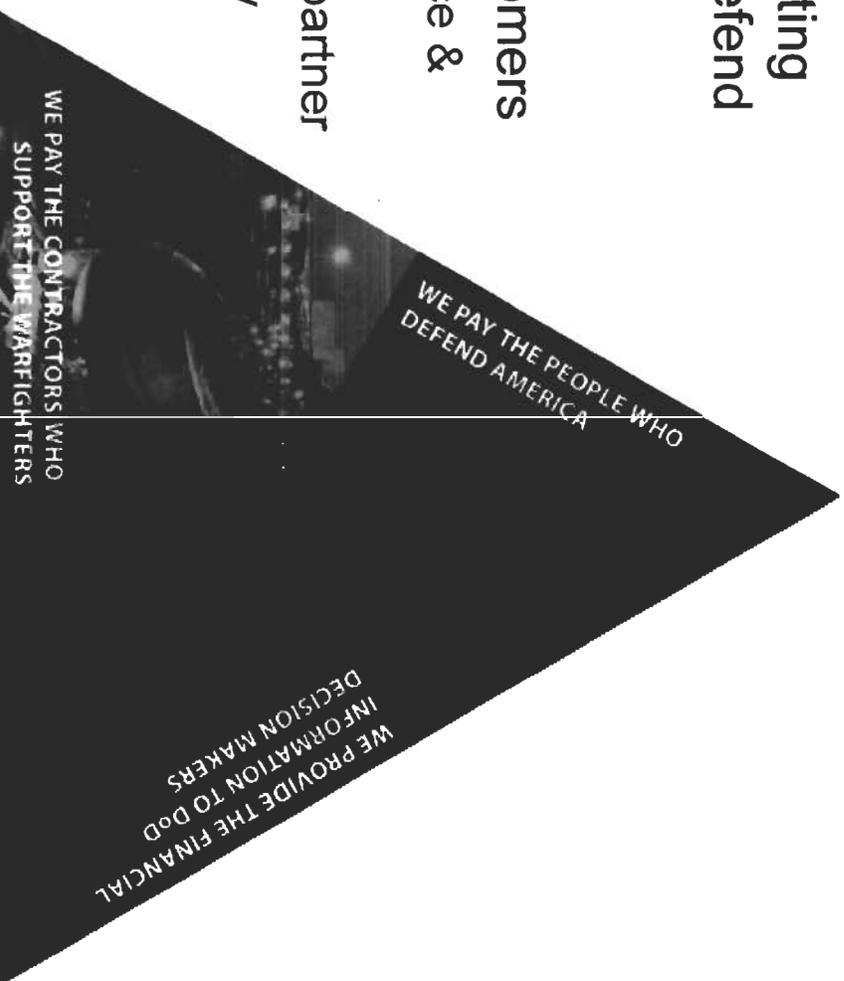


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DFAS at a glance -- Our mission, vision & values



- *Mission:* Provide responsive, professional finance & accounting services for the people who defend America
- *Vision:* Best value to our customers
 - ✓ World-class provider of finance & accounting services
 - ✓ Trusted, innovative financial partner
 - ✓ One organization, one identity
 - ✓ Employer of choice, providing a progressive & professional work environment
- *Values:* Integrity, Service, Innovation

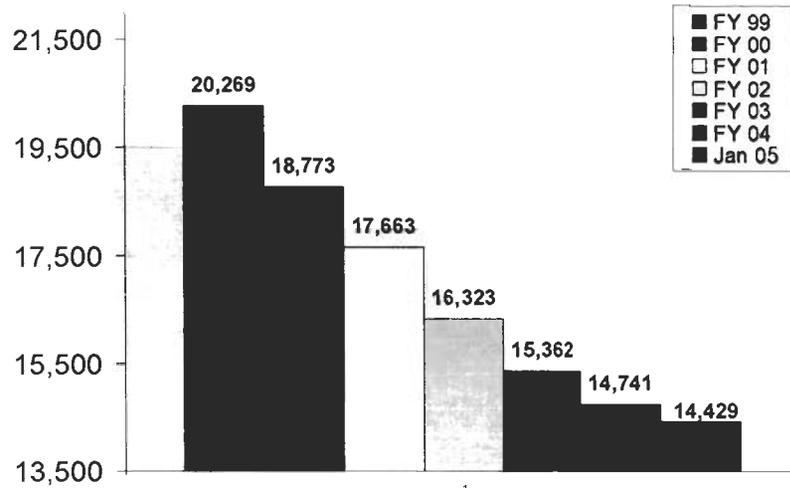


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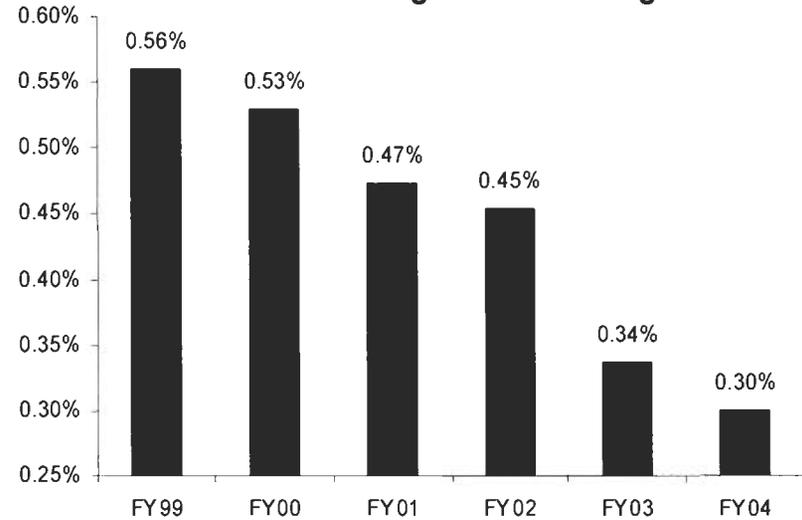
DFAS at a glance -- The state of DFAS today



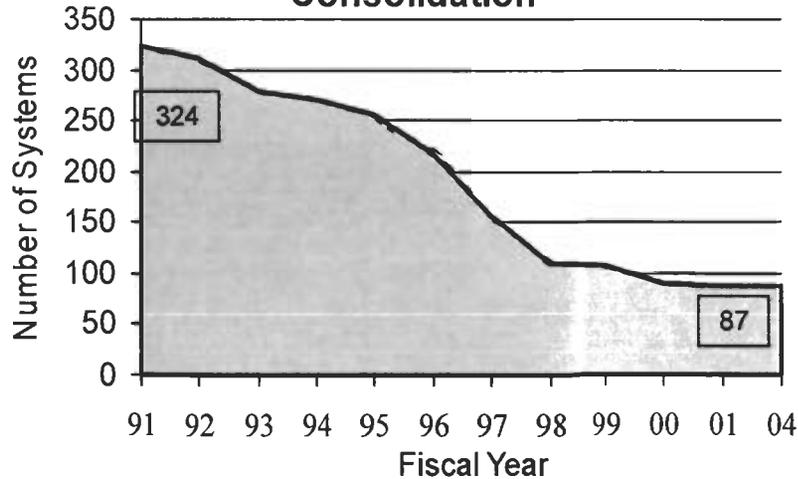
Total Work Force



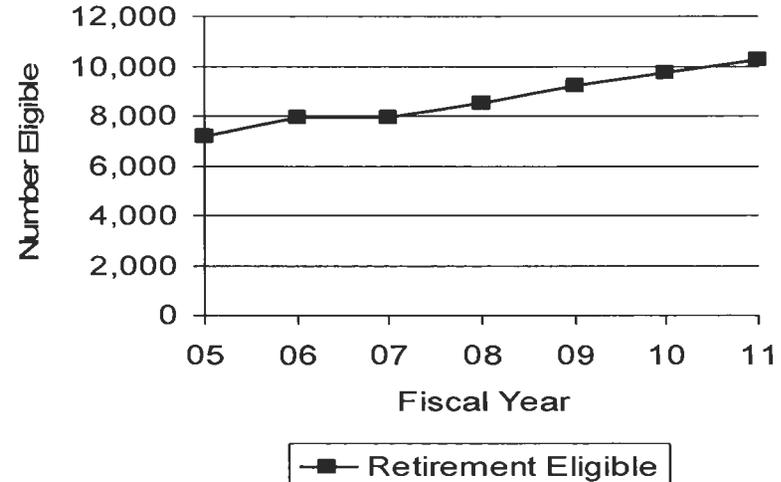
DFAS Percentage of DoD Budget



Financial Management System Consolidation



Demographics



DFAS at a glance - Magnitude of annual operations

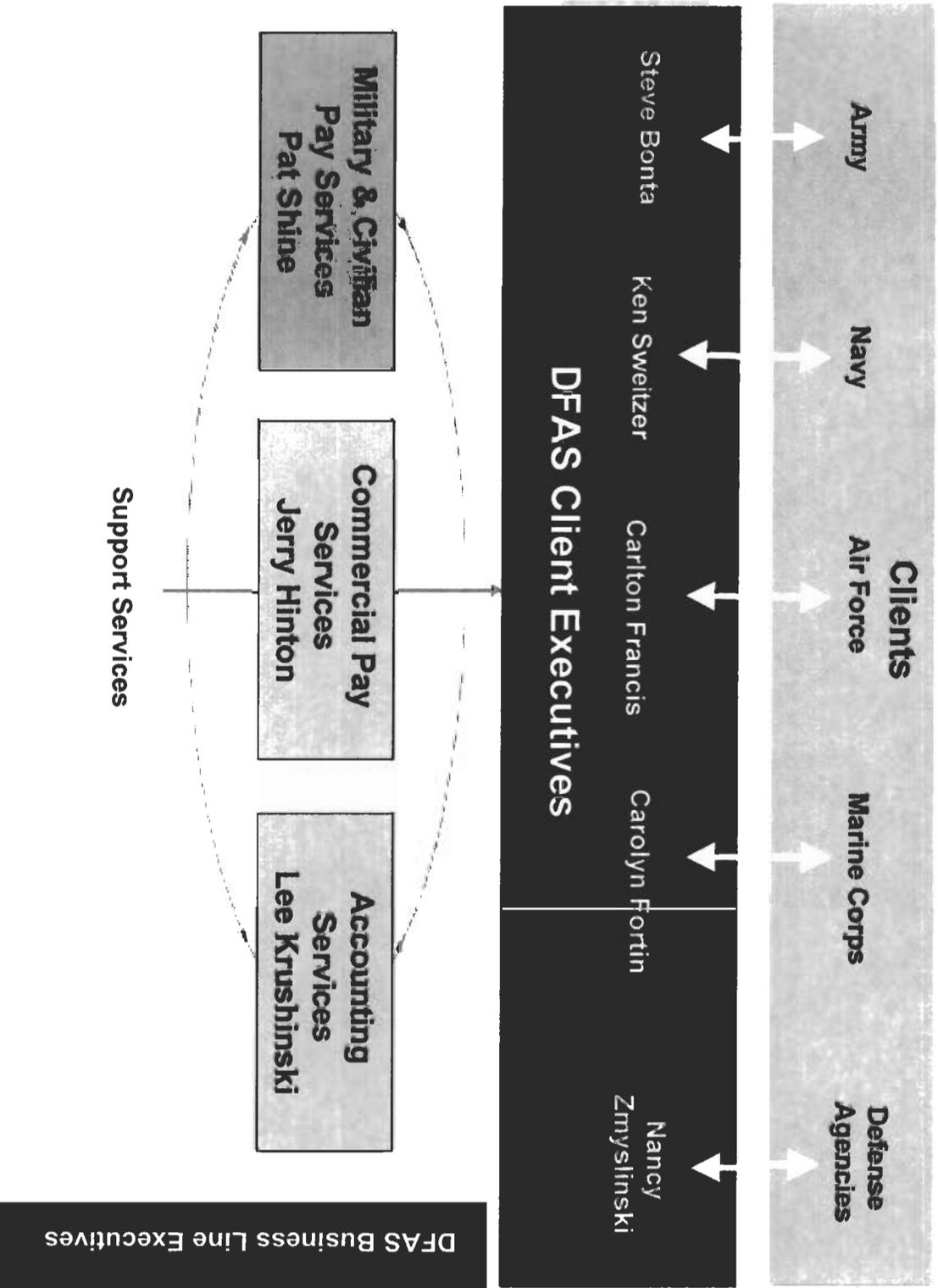


- Process 104M pay transactions to 5.9M military, civilians, retirees and annuitants
- Make 6.9M travel payments
- Pay 12.6M commercial invoices
- Process 127.3M general ledger postings
- Manage military and health benefits funds (\$234B)
- Make an average of \$455B in disbursements to pay recipients
- Manage \$13.5B in foreign military sales (reimbursed by foreign governments)
- Account for 282 active DoD appropriations

It's about the customer!

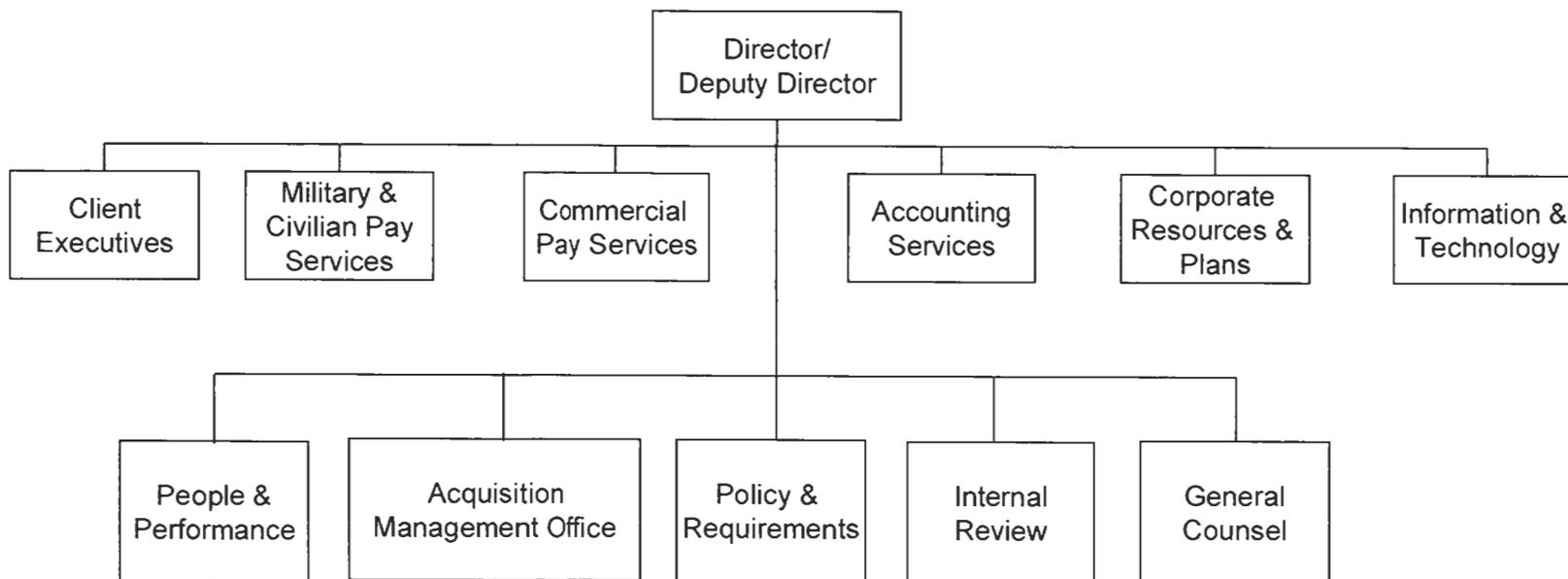
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Customer Service Matrix



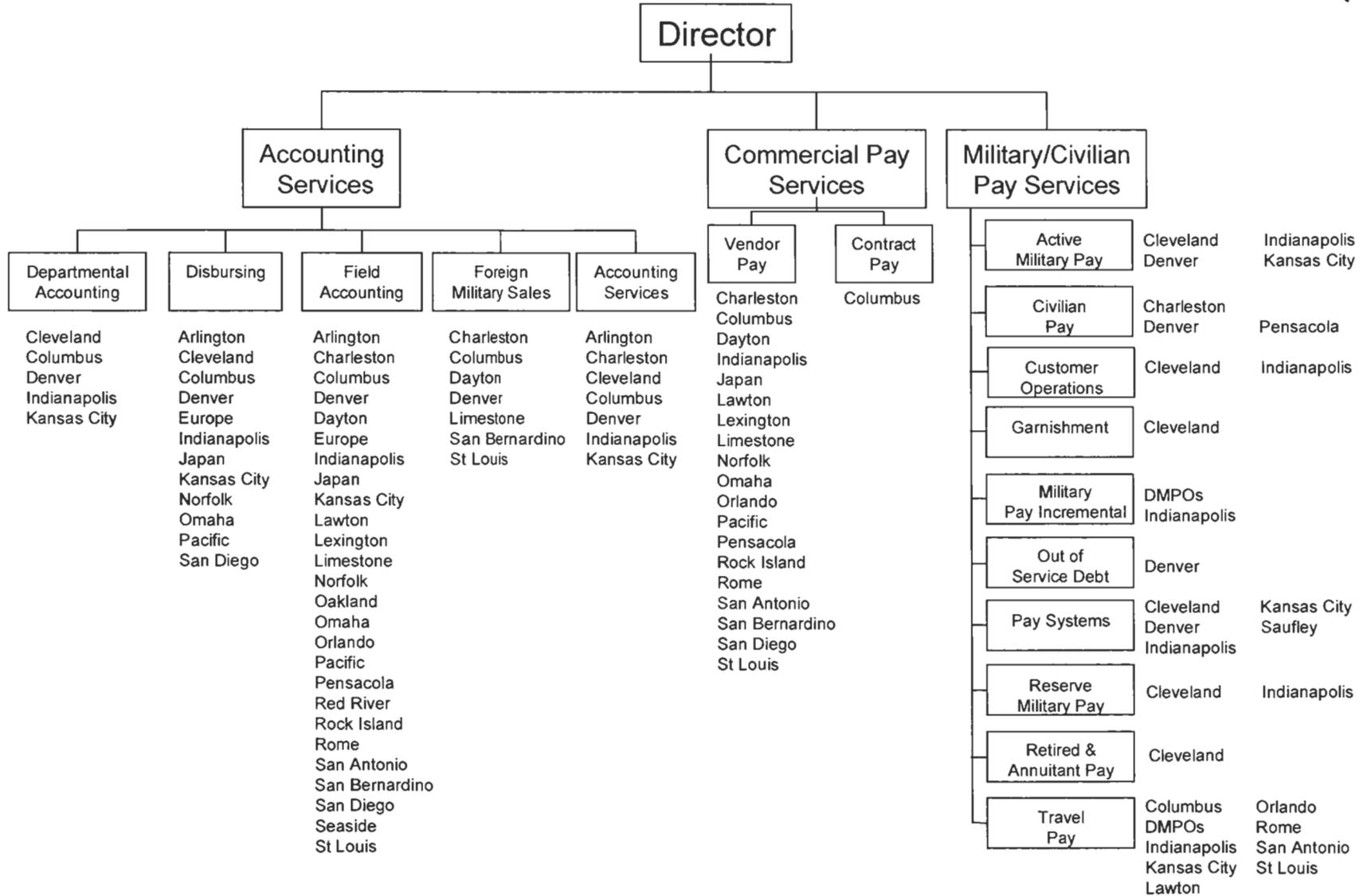
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DFAS Organization



As of Feb. 28, 2005

DFAS Product Line/Locations



DFAS success stories



- Earned a 5th consecutive “unqualified opinion” and assisted five clients to achieve clean opinions of their own
- Reduced time to publish year-end financial statements from 80 to 45 days and reduced quarterly reports to 21 days from 45
- Reduced interest per million disbursed by 20% since July 2003
- Returned 5.19% on the \$195B Military Retirement Fund & 2.43% on \$39B Medicare-Eligible Retiree Health Care Fund
- Exceeded our FY 04 goal for NULOs by finishing \$76M below our \$171M goal
- Reduced total Unmatched Disbursements over 120 days from \$134M in FY 03 to \$23M in FY 04
- Fielded the Deployable Disbursing System to 39 deployed Army sites to automate transactions, improve internal controls & accelerate posting of financial transactions

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DFAS success stories



- Launched Reserve Center of Excellence
- Won national honors for innovation and excellence for myPay while expanding its customer base to 3.1M
- Earned worldwide recognition as one of the world's 10 best government intranets according to the Nielsen Norman Group
- Won the Security Assistance Accounting A-76 competition
- Achieved 100% security certification and accreditation of all essential DFAS financial management systems
- Consolidating USAF field accounting databases
- Beginning the roll out of Forward Compatible Pay to replace the existing 30-year-old military pay system

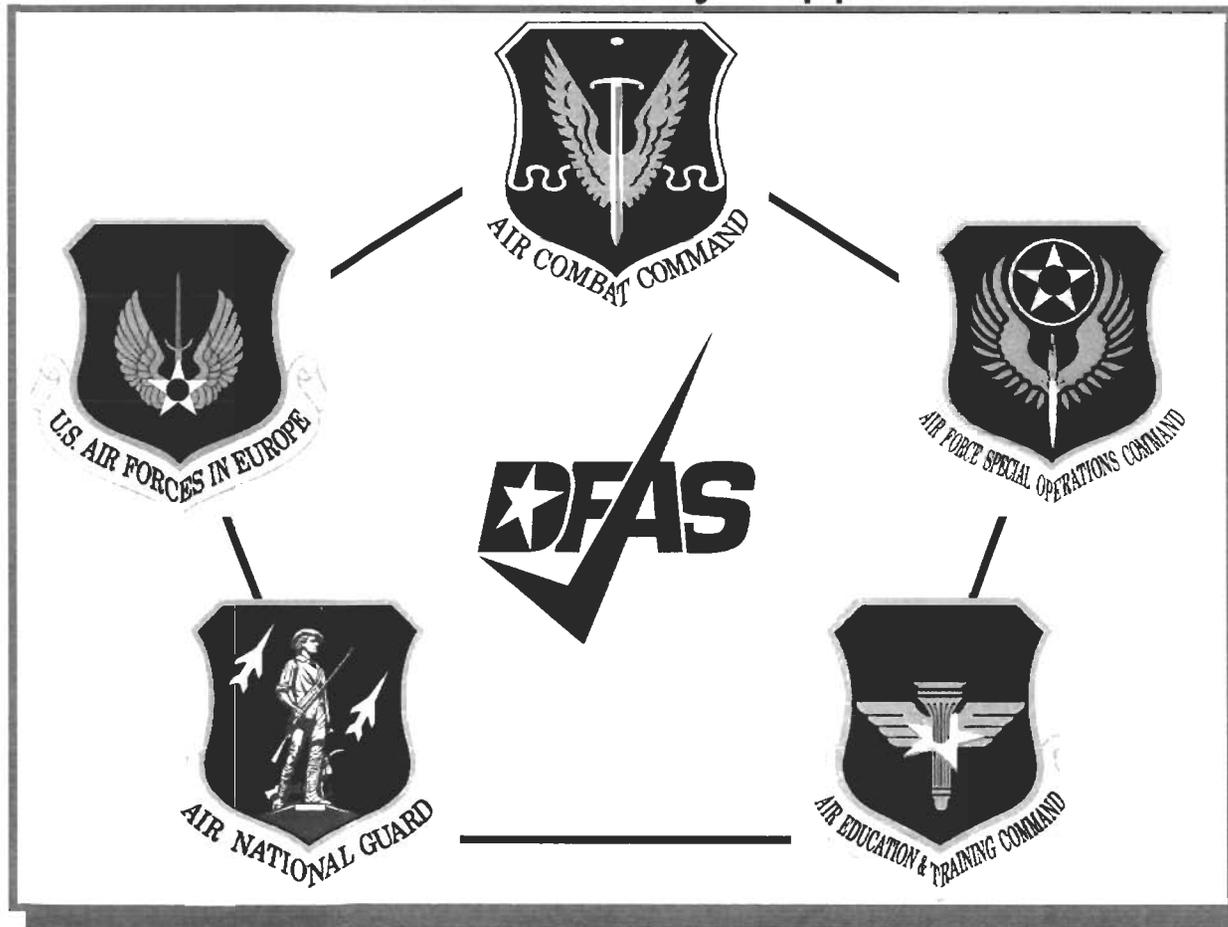
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DFAS Limestone Mission



- Provide responsive, professional Accounting and Vendor Pay services to our Air Force and Air National Guard Customers and, in turn, to the customers they support



DFAS Limestone Customers



- 72 Air Force and Air National Guard customers
 - ✓ 15 Air Combat Command bases
 - ✓ 13 Air Education and Training Command bases - Oct 2004
 - ✓ Responsibility shared with DFAS San Antonio
 - ✓ 8 United States Air Forces in Europe main bases
 - ✓ 2 Air Force Special Operations Command bases - Hurlbert Field, Moody
 - ✓ 34 Air National Guard units in 23 states
- Includes all Air Force operations in Southwest Asia
- All DoD for DTS disbursement accounting (payments and collections only)
 - ✓ Excludes customers of other sites using Centralized Disbursing System

*Our Customers Span
11 Time Zones*

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DFAS Limestone



- 141,000 sq. ft. state-of-the-art facility
 - ✓ Located on Loring Commerce Centre (former Loring AFB)
 - ✓ \$8.6 Million renovation completed in 2000
 - ✓ Building capacity
 - ✓ Approximately 480 with no renovation
 - ✓ 600 with renovation
 - ✓ Required force protection measures in place
- Totally self-contained
 - ✓ Learning Center, cafeteria, VTC room, meeting rooms, fitness center, health clinic, records storage area, warehouse, telephone switch, heating and cooling plant, generators

*Modern, Professional, Efficient
Employee Satisfaction High*

DFAS Limestone Organizational Structure



AIL/LI
Field Site Director
Lawrence Conrad

AIL/LI
Deputy Field Site Director
Roberta (Bobbi) Pelletier

AILA/LI
Field Level Accounting Operations
Roberta Pelletier

AIRC/LI
Performance Management
Tom O'Hara

RSFELI/LI
Corporate Resources/Field Operations
Terry Hopkins

CVF/LVQ
Vendor Pay Site Manager
Kevin W. Jones

2 Divisions
6 Branches

San Antonio Accounting Operations
DFAS Lowly G

European Satellite Office
8 people

2 Branches
8 Sections/ Teams

DFAS Limestone Success Stories



- Support of the warfighters in Southwest Asia for Operations Iraqi Freedom and Enduring Freedom
- Consolidation of USAFE, AFSOC & AETC databases (new work)
- Capitalization of workload for 34 ANG units (new work)
- Only site with full-time ANG liaison
- Selected to process Defense Travel System payments/collections for DoD
- Leading the way in ePortal - now open to our customers - first field site to use on-line web conferencing
- Recognized for innovation - Vice Presidential Hammer Award, DOE Energy Saver Award, Wide Area Work Flow, AF accounting test site
- 2005 Organizational Assessment Survey - 95% participation, exceeded agency averages in all 17 categories

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DFAS Limestone Success Stories continued



- Intern/mentoring/coaching programs identified as best in DFAS
- Best 2004 OPM customer service survey results for sites supporting AF
- Education emphasized - 85% of employees have some college, 50% with associates degree or higher
- Developed agency-wide videos for WAWF and DFAS New Employee Orientation program
- First field site to offer on-site CDFM testing
- Active partnership with Loring Job Corps Center
- Strong Student Career Experience Program
- No EEO complaints or formal grievances in 10 years

DCN: 11555

Our strategic challenge



- Our customers expect:
 - ✓ Accurate and timely payment of personnel
 - ✓ Accurate and timely payment of vendors and contractors
 - ✓ Auditable financial statements
 - ✓ Business intelligence that enables better decision-making
 - ✓ Lower costs of products and services
- Customers deserve a financial service partner who enhances their readiness & mission capability

DCN: 11555

The road ahead -- Becoming world class



DCN: 11555

- We will continue our DFAS journey of excellence
- We will be guided by our core values --
integrity, service & innovation
- We will recommit to understanding our customers
- We will practice good two-way communication to
ensure lasting success
- We will make it an inclusive, total team effort from all DFAS
business lines & functions

DFAS

Your Financial Partner @ Work

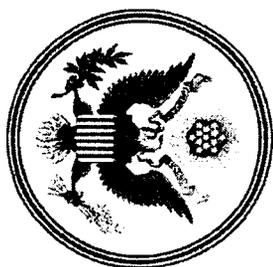


2005 Base Closure & Realignment Commission

6/28/05

DEAS

Limestone



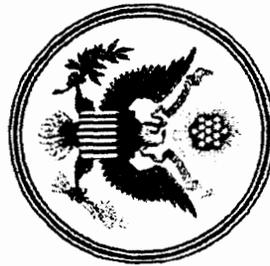
BASE VISIT SIGN IN SHEET

Name	Title	Organization	Contact	Email
LEE Krushwsky	Dir. Acctg. Svc.	DEAS CL	816 588-5511	lee.krushwsky@dfas.mil
SAM HORTON	MLA	SEN. SNOWE	202-224-5344	sam.horton@senate.senate.gov
TOM ELDRIDGE	Sen. Counsel	SENATE HSCAC	202-224-4757	tom.eldridge@hscac.senate.gov
Jessie Merrill	Constituent Svcs. Rep.	Cong. Allen	867-774-5019	jessie.merrill@ mail.house.gov
Michael Browne	MLA	Cong. Michael	202-225-6306	Michael.Browne@ mail.house.gov
Matt Miller	Associate	The DMA Group	703/415-0344	mmiller@thefmagroup

2005 Base Closure & Realignment Commission

6/28/05

DEAS Limestone



BASE VISIT SIGN IN SHEET

Name	Title	Organization	Contact	Email
Marcia Gortley	Distric Rep	Cong Michael SENATOR COLLINS	764-1036	marcia.gortley@ mail.house.gov
Phil Bosse	STATE OFFICE REPRESENT.	Senator Olympia SNOWE	801-492-2873	Phil-Bosse@ collins.senate.gov
Sharon Campbell	Regional Representative		807-764-5124	Sharon-campbell@ snowe.senate.gov
Me + the Gen				
Governor Baldacci				
Congressman Proctor				

DCN: 11555

Marilyn,

Attached are three copies of background information on DFAS Limestone for General Newton, you, and anyone else who may be accompanying him.

Also, enclosed are draft questions for your visit to the facility. I don't know if this is helpful, but I thought I would provide it just in case.

If you need anything, I am reachable on my cell at 571/243-4816. I also carry a blackberry so e-mails will reach me.

I and Congressional staff will be arriving in Limestone at 2:00 PM on Monday.

I look forward to the visit. Please me know if I can to anything to make the trip easier for you and the General

Matt

Suggested Questions for DFAS – Limestone

1. What sort of performance reputation does DFAS Limestone have within the DOD?
2. If you could grow to 480 right now how long would it take you and what would it cost?
3. How long would it take you to go to 600 personnel and how much would it cost?
4. To grow to 1500 personnel how many square feet would you need to do this?
5. What kind of timeline would you need to get the 900 additional personnel?
6. I have noticed that you stated that your 'interest penalties' are lower than most of your counterparts in DFAS. What are you doing to save the taxpayers money that the other sites are not?
7. In the electronic world in which we now live, what steps has Limestone taken to reduce paperwork while improving customer service?
8. With past job opening announcements, you have stated that there is a 5 to 1 ratio for applicants. How many of these external candidates were qualified but were not hired due to limited number of positions?
9. How well have previous expansions been conducted and how have they affected performance? Has the facility undergone any recent expansions or upgrades that have impacted its ability to perform?
10. What is the cost of operations at Limestone and how does it compare with other DFAS facilities?
11. What is the current status of your lease arrangement with the community?
12. What customers within the Air Force and Air National Guard does the DFAS serve? How capable is DFAS Limestone to expand its operations and play a greater role in the broader DFAS mission?
13. What is the security situation at the facility? What are the benefits of being located in Limestone, and what needs to be done and at what cost to improve the security to the necessary requirements?
14. How are union-management relations at this facility? How do they compare to other DFAS facilities?
15. What is the locality pay rate and how does it compare with other DFAS facilities?

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16. What educational levels and professional degrees do DFAS Limestone employees possess and how does that compare with other workforces within the agency?
17. What is the employee satisfaction level at this facility?
18. How willing are DFAS Limestone employees to relocate? How capable of maintaining a similar standard of living will relocated Limestone employees be?
19. What would be lost by DFAS and DOD with the closure of Limestone?

Suggested Questions for DFAS – Limestone

1. What sort of performance reputation does DFAS Limestone have within the DOD?
2. If you could grow to 480 right now how long would it take you and what would it cost?
3. How long would it take you to go to 600 personnel and how much would it cost?
4. To grow to 1500 personnel how many square feet would you need to do this?
5. What kind of timeline would you need to get the 900 additional personnel?
6. I have noticed that you stated that your 'interest penalties' are lower than most of your counterparts in DFAS. What are you doing to save the taxpayers money that the other sites are not?
7. In the electronic world in which we now live, what steps has Limestone taken to reduce paperwork while improving customer service?
8. With past job opening announcements, you have stated that there is a 5 to 1 ratio for applicants. How many of these external candidates were qualified but were not hired due to limited number of positions?
9. How well have previous expansions been conducted and how have they affected performance? Has the facility undergone any recent expansions or upgrades that have impacted its ability to perform?
10. What is the cost of operations at Limestone and how does it compare with other DFAS facilities?
11. What is the current status of your lease arrangement with the community?
12. What customers within the Air Force and Air National Guard does the DFAS serve? How capable is DFAS Limestone to expand its operations and play a greater role in the broader DFAS mission?
13. What is the security situation at the facility? What are the benefits of being located in Limestone, and what needs to be done and at what cost to improve the security to the necessary requirements?
14. How are union-management relations at this facility? How do they compare to other DFAS facilities?
15. What is the locality pay rate and how does it compare with other DFAS facilities?

DCN: 11555

16. What educational levels and professional degrees do DFAS Limestone employees possess and how does that compare with other workforces within the agency?
17. What is the employee satisfaction level at this facility?
18. How willing are DFAS Limestone employees to relocate? How capable of maintaining a similar standard of living will relocated Limestone employees be?
19. What would be lost by DFAS and DOD with the closure of Limestone?

FOR OFFICIAL USE ONLY**DFAS LIMESTONE SECURITY ASSESSMENT**

- DFAS Limestone is located outside the city of Limestone, Maine, on the former Loring Air Force Base, now known as the Loring Commerce Centre.
- DFAS Limestone implements the DoD Force Protection Condition (FPCON) system, which is currently set at ALPHA. The site has no security force other than the site Security Specialist. As such, the site relies on county and state police for security force response.
- The site is not located within a controlled fenced perimeter, but is in the process of completing a comprehensive barrier project to control vehicle access through an electronic entry control system. Personnel access to the building is also controlled through the use of an electronic entry control system. The site has hand-held metal detectors available to assist with screening at higher FPCONs, but no x-ray equipment. Non-DFAS visitors are processed and escorted while in the DFAS complex.
- Windows are laminated with Fragmentation Retention Film and appropriate standoff distances can be achieved.
- All mail and packages (USPS, UPS, FEDEX, etc) are processed through a facility mailroom prior to distribution to the workforce. The mailroom has an emergency Heating, Ventilation and Air Conditioning (HVAC) shut down switch installed.
- Closed Circuit Television (CCTV) is installed on both the interior and exterior of the facility. An Intrusion Detection System is installed in areas deemed appropriate by the site and is monitored by a commercial monitoring company. The CCTV system is monitored by the Security Specialist and recorded using a digital recording system.
- The HVAC air intakes and exhaust vents are located above ground level. Water and electrical service is supplied by local public utilities. The site has two 400-kilowatt diesel generators that provide emergency power.
- A security assessment of the DFAS Limestone site was conducted in October 2002. At that point in time the threat was assessed as LOW. A follow up Higher Headquarters Vulnerability Assessment, utilizing the Joint Staff Integrated Vulnerability Assessment (JSIVA) methodology and benchmarks, was conducted on June 21-24, 2005. Due to the recency of this latest review, assessment findings are not yet available.
- Major physical security concerns identified in the October 2002 assessment included a lack of perimeter barriers, lack of fragmentation retention film installed on windows, and the CCTV system required an upgrade. Measures taken to mitigate identified concerns include the installation of a permanent barrier system around the facility, installation of fragmentation retention film, and an upgrade to the site's CCTV capabilities.

Prepared by: Hugh D. Wiley, (317) 510-4096.

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DFAS-RSP/TN

July 8, 2005

MEMORANDUM FOR FIELD SITE DIRECTOR - LIMESTONE

SUBJECT: Program Evaluation and Annual Safety Inspection

To comply with DoD and Occupational Safety and Health Administration (OSHA) requirements, the annual safety inspection and program evaluation of the Limestone Site were conducted June 21 - 24, 2005.

PERSONNEL CONTACTED:

<u>NAME</u>	<u>OFFICE SYMBOL</u>
Larry Conrad	DFAS-AIL/LI
Terry Hopkins	DFAS-RSFELI
Mike Stotler	DFAS- RSFELI
Paul Barnes	Fire Chief, Loring Fire Department

The program evaluation was based upon DoD program evaluation requirements. Most program areas are exceptional. The only program element requiring attention is powered industrial truck training. A positive observation noted was the addition of the "Kudos Corner" to recognize employees' efforts in support of safety and security. Attachment 1 covers the specific elements evaluated.

A walk-through of the facility and adjoining grounds was conducted with the assistance of Mike Stotler. Overall, the facility has been and remains in excellent shape. Only a few facility findings were identified. One notable life safety improvement is the installation of magnetic door releases for fire doors at key locations. See Attachment 2 for a copy of the facility findings.

I would like to recognize the support provided by Mike Stotler and Terry Hopkins. Their continual efforts to manage and improve the site safety program are commendable. Management support for safety continues to be outstanding.

A written response on corrective action initiated or planned is required by **August 4, 2005**. I am the point of contact at DFAS-RSP/IN, (317) 510-3428.

Gregory L. Coonfare
DFAS Safety & Occupational Health Program Manager

Attachments:
As Stated

ATTACHMENT 1

2005 PROGRAM EVALUATION – LIMESTONE		
ITEM	COMMENTS/FINDINGS	ACTION
1. Policy memorandums and statements. Written policy statement on Safety and Health.	Policy letter signed out by Site Director. Agency safety policy letter also posted.	No further action on this item.
2. Top Management Support. Evidence indicating top management support for the safety program	Multiple examples of top management support were evident.	No further action on this item.
3. Resources for staffing, materials, equipment, and training. Resource allocation for the safety program.	Adequate resources have been provided. If equipment or training is needed, it is provided.	No further action on this item.
4. Budget for personnel, hazard abatement, sampling, promotional material, etc. Budget allotted for safety related items.	No specific budget amount for safety has been designated, but all safety expenditures requested have been provided.	No further action on this item.
5. Surveillance. Industrial Hygiene baseline and periodic surveys conducted. Have IH related studies, including toxic substances and ergonomics, been conducted and documented?	Several IH studies conducted in response to concerns. No baseline survey conducted. Ergonomic evaluations conducted as needed.	No further action on this item.
6. Medical. OSHA compliance requirements for medical record maintenance, preplacement examinations, periodic exams, health education, immunization, and emergency medical treatment.	The Federal Occupational Health Nurse maintains employee medical records, provides disease prevention guidance, health education, and immunizations.	The medical care and emergency response provisions are outstanding.
7. Dissemination of Program Information. Posting/distribution of safety related material, such as posters, mishap summaries, bulletins, etc.	Safety related information is posted and distributed throughout the organization.	No further action on this item.
8. Standards and Compliance. Do supervisors enforce safety standards/policies, job safety training provided, and is it documented?	Supervisor providing and documenting employee safety training.	No further action on this item.

9. Safety Inspections. Do qualified inspectors perform required inspections? Is necessary inspection equipment available?	Annual safety inspections completed and documented. Local inspections performed continuously.	No further action on this item.
10. Hazard Reports and Abatement. Are hazard reports available, tracked when submitted, and properly closed out? Are hazards abated in a timely manner?	No employee hazard reports submitted. Hazards identified by the Site Safety Manager have been abated in a timely manner.	No further action.
11. Safety and Health Council. Is a Safety Council established, chaired by top management, convened quarterly, and attended by appropriate members?	Safety Council established and documented.	No further action on this item.
12. Goals, objectives, and self-evaluation. Are annual safety reports, which include goals, objectives, and self-evaluation, performed?	Annual safety reports, including the required submittals, have been submitted as requested.	No further action needed.
13. Training. Has safety related training been provided for safety personnel, management, supervisors, and employee reps.	The SSM attended the Principles of Occupational Safety and Health course in the last year. He has also provided supervisor safety training and other safety training to site personnel. Refresher training on powered industrial trucks is needed.	Conduct or arrange PIT training.
14. Accident Reporting and Investigation. Do employees and supervisors properly report accidents? Does the safety representative investigate and log accidents?	Work-related accidents/illnesses are reported and investigated properly. Timeliness and thoroughness of reporting has improved since implementation of OSHA 301 reporting requirement.	No further action on this item.
15. Emergency Planning. Is there a written Occupant Emergency Plan (OEP) and are the EOP actions practiced?	A written EOP is established and exercises are performed on a regular basis.	No further action on this item.
16. Awards. Is a safety award program established to recognize outstanding safety efforts?	The "Kudos Corner" program promotes employee reporting of safety and security concerns by publicly recognizing their efforts.	No further action on this item.

ATTACHMENT 2

2005 Facility Safety Inspection - Limestone					
ITEM	OFFICE SYMBOL	LOCATION	FINDINGS	RAC & REFERENCE	RECOMMENDATION
1.	RSFELI	East Entrance	Wooden sign cover, corner coming loose	5(IV, C) Good Management Practice	Secure cover or remove.
2.	RSFELI	S/W exit/entrance	Hole in sidewalk just outside exit/entrance	4(III,C) Good Management Practice	Repair hole.
3.	RSFELI	Supply Warehouse	Flammables (endust aerosol) not stored in flammable storage locker	5(IV,C) 29CFR1910.106 (d)(5)(iii)	Store material in flammable storage locker.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
DEPUTY CHIEF OF STAFF, G-8
700 ARMY PENTAGON
WASHINGTON DC 20310-0700
HSA-JCSG-D-05-451

DAPR-ZB

15 July 2005

MEMORANDUM FOR OSD BRAC Clearinghouse

SUBJECT: Tasker 0498 - Request for Additional Information from DoD - 1 July 2005

1. Reference e-Mail from Michael Bopp, Senate HSGAC, 1 July 2005, for Mr. Tom Eldridge, Senior Counsel, Homeland Security, and Governmental Affairs Committee

2. Issues/Questions and Responses:

a. All reports discussing anti-terrorism, force protection, security or public safety conditions at the DFAS-Limestone Field site that were drafted or completed since May 13, 2005, including but not limited to:

(1) The DFAS Limestone Security Assessment prepared by Hugh Wiley, DFAS Anti-terrorism and Physical Security Project Manager on or about June 27, 2005; and

(2) Reports relating to fire safety at DFAS Limestone.

Response:

b. The only reports discussing anti-terrorism, force protection, security, or public safety conditions at the DFAS-Limestone Field site that were drafted or completed since May 13, 2005 are the following:

(1) The DFAS Limestone Security Assessment prepared by Hugh Wiley, DFAS Antiterrorism and Physical Security Project Manager on or about June 27, 2005. See Enclosure 1.

(2) The fire safety report at DFAS Limestone. See Enclosure 2.

c. Please describe all constraints placed by the HSA-JCSG on the CNA Optimization Model that was used to arrive at the conclusion that DFAS should be consolidated to three receiving sites, including whether any artificial constraints were placed on this optimization model that limited to three the maximum number of receiving sites.

Response:

a. The objective of the Optimization Model, developed by the Center for Naval Analysis, is to maximize the military value of facilities retained, while reducing excess capacity, discouraging (but allowing for) construction of new capacity, and encouraging concentration of business line functions into centers of excellence. The model's parameters included: (1) military value of each facility; (2) existing capacity; (3) potential for expansion of capacity; and (3) future staff requirements by functional area.

DAPR-ZB

SUBJECT: Request for Additional Information from DoD - 1 July 2005

b. The optimization model was used to generate alternatives. Because of the substantial excess capacity relative to future staff requirements, the configuration analysis runs all suggest the possibility of multiple site closures. While there were minor differences among alternatives (depending on the degree to which expansion of capacity at existing facilities was allowed), all results were similar in their concentration of business lines at a few larger sites. Between two and four primary sites is all that is needed to house the expected future work force. The proposed closures do not result from specific constraints but rather are a reflection of existing excess capacity. The larger sites proposed for retention offer higher than average military values and will have sufficient capacity to support the expected space requirements.

3. Coordination: N/A

2 Enclosures
As stated



CARLA K. COULSON

COL, GS

Deputy, Headquarters and
Support Activities JCSG

DCN: 11555

Wasleski, Marilyn, CIV, WSO-BRAC

From: Matt Miller [matt@thepmagroup.com]
Sent: Monday, July 11, 2005 2:36 PM
To: Wasleski, Marilyn, CIV, WSO-BRAC
Subject: RE: Limestone
Attachments: Snowe - Opening.doc; BALDACCI ECONOMIC IMPACT TESTIMONY.doc; carl flora statement.doc; Collins Statement.doc; Michaud statement.07-06-05.doc; Slides - Collins.ppt; Slides - michoud and governor.ppt; Slides - Snowe2.ppt; Slides - Snowe Opening.ppt; Snowe - Closing.doc; Flaws in Military Value Assessment2.doc; EXECUTIVE SUMMARY2.doc

The testimony and slides are new and significant changes were made to Exec Summ and Military Value. All are attached. I also have 2 letters I am going to fax to you at 699-2735. They go with the Room for Expansion section - certified information on the costs of growth and the fact that the local community will donate the land. Will fax now.

From: Wasleski, Marilyn, CIV, WSO-BRAC [mailto:Marilyn.Wasleski@wso.whs.mil]
Sent: Monday, July 11, 2005 10:45 AM
To: Matt Miller
Subject: RE: Limestone

Matt,

Can you just provide me with anything that is new.

Thanks.

Marilyn

From: Matt Miller [mailto:matt@thepmagroup.com]
Sent: Monday, July 11, 2005 9:01 AM
To: Wasleski, Marilyn, CIV, WSO-BRAC
Subject: Limestone

Attached is the final version of the hearing book.

The testimony is new. The rest of the book is similar to what we gave you at the site visit. Some editing has been done, but the format and content is largely the same.

Here is the deal with the hard copies: On Friday July 1 around 4:00 I brought 12 copies to your office. I was told by staff that everyone had left for Boston and it was too late to give them books before hand. I left 5 books at your office for Commissioners who would not be attending. I was told that they would be put on each Commissioner's desk.

I then overnighted the remaining 7 to the Commission advance staff (I forget her name). She confirmed that she received them. There were 4 copies for Commissioners and 3 for staff. I also provided another copy for Commissioner Skinner who was a late add.

I am currently out of copies but can build another if that is easier than plowing through 20 electronic files. Please advise.

7/11/2005

**DFAS
Limestone**

**A Compelling Case
For Growth**

Response to Request from General Lloyd Newton at

July 6, 2005

**BRAC Commission Hearing in
Boston, Massachusetts**

Congress of the United States

Washington, DC 20510

July 14, 2005

General Lloyd Newton, USAF (Ret.)
Base Realignment and Closure Commission
2521 South Clark Street
Arlington, VA 22202

Dear General Newton:

At the July 6, 2005 regional hearing in Boston, Massachusetts, you requested additional information with regard to the DFAS Limestone Field Site. Specifically, you requested that we provide the Commission with information detailing the estimated cost to increase the number of positions at Limestone to 600 and to 1,000. The information you requested is attached. We certify that the attached information is accurate and complete to the best of our knowledge.

As was presented in Boston, the Limestone facility can accommodate an additional 239 people for a total of 480 people with no military construction costs. Growing DFAS Limestone to 600 employees can easily be accomplished with minor facility upgrades such as modifying existing space and purchasing work stations. Cyr Construction of Caribou, Maine, has estimated the cost of these upgrades to be approximately \$1.2 million.

Expanding the facility by an additional 400 employees to a total of 1,000 workers would require construction of an addition to the existing facility. The DFAS Limestone facility sits on 15 acres of open land, so expansion is not a problem. The Loring Development Authority has agreed to donate the land necessary for expansion, including parking spaces and buffer areas, at no cost.

Cyr Construction has provided a certified estimate that the cost of construction of a two story, 70,000 square foot addition, including data and communications infrastructure, would be \$6.3 million. Adding workstations for 400 employees would cost an additional \$1.88 million. The total cost of the addition would be \$8.18 million.

We have included the results of COBRA runs for three scenarios: increasing Limestone's workforce to 480; increasing it to 600; and increasing it to 1,000 positions. For each personnel level, we ran the COBRA model using DoD generic assumptions for military construction costs, and using certified data for military construction costs at the Limestone Field Site provided by Cyr Construction, a local contractor who has performed extensive work at the site. **These COBRA runs show that in all cases, greater savings can be achieved by expanding DFAS Limestone instead of closing it as recommended by the DoD.**

We also have included information detailing how the workforce would be expanded to meet these increased personnel milestones.

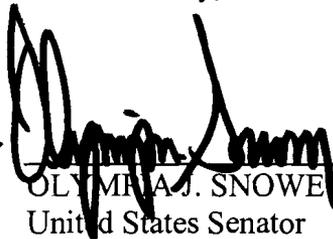
As we discussed at the July 6 hearing, the attached information demonstrates that increasing personnel at the Limestone Field Site would maximize savings and reduce costs overall relative to the DFAS consolidation proposal put forward by the DoD.

Please do not hesitate to contact us if you need any additional information in performing your vital mission.

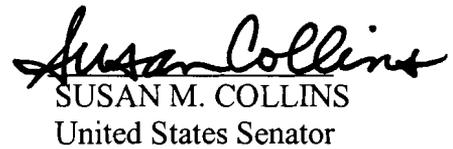
Sincerely,



JOHN E. BALDACCI
Governor of Maine



OLYMPIA J. SNOWE
United States Senator



SUSAN M. COLLINS
United States Senator



THOMAS H. ALLEN
United States Representative



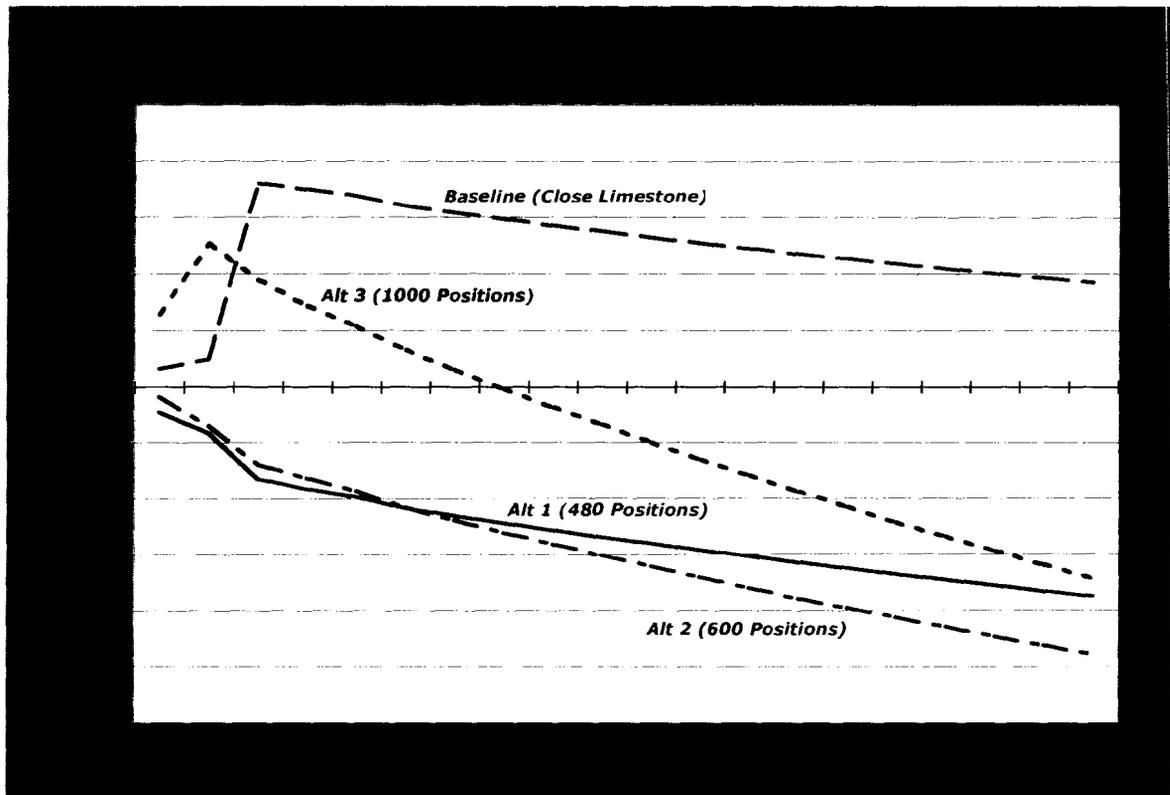
MICHAEL H. MICHAUD
United States Representative

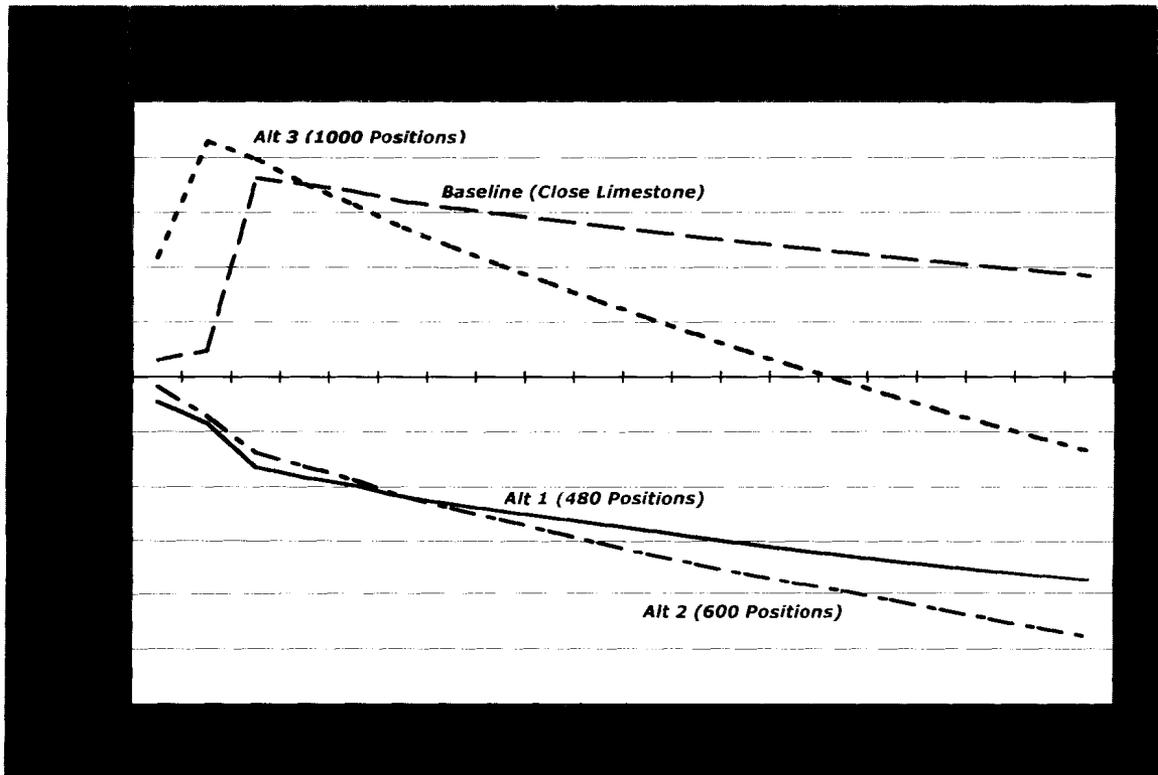
cc: Sec. Anthony Principi, Chairman, 2005 Base Realignment and Closure Commission
Hon. James Bilbray, Member
Hon. Philip Coyle, Member
ADM Harold Gehman, USN (ret), Member
Hon. James Hansen, Member
Gen. James Hill, USA (ret), Member
Hon. Samuel Skinner, Member
Gen. Sue Ellen Turner, USAF (ret), Member

COST ANALYSIS FOR THREE ALTERNATIVES

At the July 6 hearing, General Newton asked for information regarding the ability of the DFAS Limestone Field Site to expand from its current size of 353 positions to 1,000 positions.

To prepare our response, we asked Ed Anderson, an expert from the firm of Conklin & de Decker Associates hired by the State of Maine, to perform COBRA runs for three scenarios: expanding Limestone to 480 positions; expanding Limestone to 600 positions, and expanding Limestone to 1,000 positions. Mr. Anderson ran the COBRA model using the same certified data relied upon by the Department of Defense in formulating its recommendations. In addition, he ran the COBRA model using certified construction cost estimates for military construction costs at Limestone that were supplied by Cyr Construction Company, a local contractor who has previously done significant construction work at the Limestone facility. Cyr's cost estimates reflect the local Northern Maine construction market, and are tailored to the actual addition that would be needed if Limestone were expanded. Therefore, their estimates are more accurate than DoD's generic construction cost estimates. The results of these COBRA analyses are shown in the charts below. A detailed description of each option follows.





Summary of Costs and Savings for Three Alternatives Relative to DoD's Proposal (in \$ Thousands):¹

Total One-time Costs

	Based on Cyr Estimates	Based on Default Settings
Alt 1 (480)	(10,362)	(10,753)
Alt 2 (600)	(9,681)	(9,650)
Alt 3 (1000)	(2,702)	1,581

20-Year Net Present Value Savings

	Based on Cyr Estimates	Based on Default Settings
Alt 1 (480)	11,168	11,553
Alt 2 (600)	13,245	13,215
Alt 3 (1000)	10,526	6,386

¹ The numbers on these charts represent the difference between the Baseline DoD proposal to close Limestone (shown in the dashed red line) and the line representing the particular alternative.

I. Limestone grows to 480 positions

Summary: The DFAS Limestone Field Site has sufficient excess capacity – in the form of currently empty space -- to accommodate an additional 239 positions.² Accordingly, the COBRA model does not assume that there would be any military construction necessary to reach this personnel milestone. In fact, there would be minor costs associated with securing and installing workstations for the new employees. Because there are surplus workstations already on site at Limestone, the only required change to the facility is the addition of 92 workstations. Cyr Construction Company has provided a certified estimate that the cost for adding these 92 workstations is \$391,000. However, this cost is more than off-set by the \$3.9 million saved in military construction costs at Columbus under this scenario. As discussed in the submissions of Carl Flora and Galen Rose, Acting State Economist, attached hereto,³ the local workforce can easily accommodate this expansion from the ranks of skilled workers currently employed in similar occupations at lower pay in Aroostook County, the “shadow workforce” of individuals who would return to Aroostook County if there were the opportunity, and individuals from other DFAS facilities slated for closure who would choose to relocate to Limestone.

COBRA Model results using Certified Data for Military Construction Costs:⁴

Military Construction Costs (Savings)

- Columbus MilCon = \$3.898 million saved⁵
- Limestone MilCon = \$391,000⁶ cost
- MilCon Net = \$3.507 million saved

Costs (Savings) Relative to Status Quo:

- One-time costs = \$2.56 million saved
- Twenty-year NPV = \$9.35 million saved

Costs (Savings) Relative to DoD Proposal:

- One-time costs = \$10.36 million saved⁷
- Twenty-year NPV = \$11.168 million saved

² Although there currently are 353 employees working at DFAS Limestone, DoD’s COBRA model assumes that there are 241 employees because that is the planned future workforce. We have used the same DoD assumption with regard to future planned personnel at Limestone in all our COBRA runs.

³ See Attachment C, Certified letters from Carl Flora, President and CEO, Loring Development Authority, and Galen Rose, Acting State Economist, State of Maine.

⁴ See Attachment A, Certified COBRA Runs, prepared by Ed Anderson, July 13, 2005.

⁵ Each of the three scenarios under which Limestone is expanded avoids spending this \$3.9 million in military construction costs at DFAS Columbus.

⁶ See Attachment B, Certified Construction Cost Estimates, prepared by Cyr Construction Company, June 24, 2005. These funds would be used to purchase 92 additional workstations. Id.

⁷ The costs avoided are: \$3.507 million in military construction costs, \$5.688 million in moving costs, and \$1.168 million in personnel costs.

Conclusion: Realigning DFAS Limestone as a receiver site growing to 480 positions would produce an immediate, substantial return on investment, strengthening the overall case for DFAS consolidation in the process. The government would achieve a net savings of over \$3 million in military construction costs. By pursuing this scenario, instead of the one proposed by the DoD, the government would save over \$10 million in implementation costs and have a twenty-year net present value savings of over \$11 million. There is no material difference between the outcome using Cyr Construction cost estimates versus DoD's generic construction cost assumptions.

II. Limestone grows to 600 positions

Summary: The DFAS Limestone Field Site has sufficient excess capacity – in the form of currently empty space and space being used for other purposes such as storage -- to accommodate an additional 359 positions without any addition to the facility. Cyr Construction Company has provided a certified estimate that the cost for this work is \$1,199,000. These funds would be used to modify spaces within the Limestone facility that need minor renovation such as by hanging a suspended ceiling in order to accommodate employees, and to purchase workstations for the new employees.

As discussed in the submissions of Carl Flora and Galen Rose, Acting State Economist, attached hereto,⁸ the local workforce can easily accommodate this expansion from the ranks of skilled workers currently employed in similar occupations at lower pay in Aroostook County, the “shadow workforce” of individuals who would return to Aroostook County if there were the opportunity, and individuals from other DFAS facilities slated for closure who would choose to relocate to Limestone.

COBRA Model results using Certified Data for Military Construction Costs:⁹

Military Construction Costs (Savings)

- Columbus MilCon = \$3.898 million saved
- Limestone MilCon = \$1.199 million¹⁰ cost
- MilCon Net = \$2.699 million saved

Costs (Savings) Relative to Status Quo:

- One-time costs = \$1.875 million saved
- Twenty-year NPV = \$11.426 million saved

Costs (Savings) Relative to DoD Proposal:

⁸ See Attachment C, Certified letters from Carl Flora, President and CEO, Loring Development Authority, and Galen Rose, Acting State Economist, State of Maine.

⁹ See Attachment A, Certified COBRA Runs, prepared by Ed Anderson, July 13, 2005.

¹⁰ See Attachment B, Certified Construction Cost Estimates, prepared by Cyr Construction Company, June 24, 2005. These funds would be used to purchase 92 additional workstations. Id.

- One-time costs = \$9.681 million¹¹ saved
- Twenty-year NPV = \$13.245 million saved

Conclusion: Realigning DFAS Limestone as a receiver site growing to 600 positions would produce an immediate, substantial return on investment, strengthening the overall case for DFAS consolidation in the process. By pursuing this scenario, instead of the one proposed by the DoD, the government would save \$9.7 million in implementation costs and produce a twenty-year net present value savings of over \$13 million. There is no material difference between the outcome using Cyr Construction cost estimates versus DoD's generic construction cost assumptions.

III. Limestone grows to 1,000 positions

Summary: In order to expand the workforce to 1,000, the DFAS Limestone facility would need to build an addition with approximately 70,000 square feet of new administrative space. This would produce a facility with a combined total of 211,000 square feet of space (or roughly 210 square feet per employee). The addition could rely upon the same heating and air conditioning systems in the existing building as well as some of the existing building's other spaces such as its cafeteria. Cyr Construction Company has provided a certified estimate that the cost for this work is \$9,379,000.

There are currently 353 employees at DFAS Limestone, so this change would require the hiring of 647 additional employees over the next several years. As discussed in the submissions of Carl Flora and Galen Rose, Acting State Economist, attached hereto,¹² the local workforce can accommodate this expansion from the ranks of skilled workers currently employed in similar occupations at lower pay in Aroostook County, the "shadow workforce" of individuals who would return to Aroostook County if there were the opportunity, and individuals from other DFAS facilities slated for closure who would choose to relocate to Limestone.

COBRA Model results using Certified Data for Military Construction Costs:¹³

Military Construction Costs (Savings)

- Columbus MilCon = \$3.898 million saved
- Limestone MilCon = \$9.379 million¹⁴ cost
- Net MilCon = \$5.481 million cost

Costs Relative to Status Quo:

¹¹ The costs avoided are: \$2.699 million in military construction costs, \$5.927 million in moving costs, and \$1.055 million in personnel costs.

¹² See Attachment C, Certified letters from Carl Flora, President and CEO, Loring Development Authority, and Galen Rose, Acting State Economist, State of Maine.

¹³ See Attachment A, Certified COBRA Runs, prepared by Ed Anderson, July 13, 2005.

¹⁴ See Attachment B, Certified Construction Cost Estimates, prepared by Cyr Construction Company, June 24, 2005. These funds would be used to purchase 92 additional workstations. Id.

- One-time costs = \$5.104 million cost
- Twenty-year NPV = \$8.707 million saved

Costs (Savings) Relative to DoD Proposal:

- One-time costs = \$2.402 million saved¹⁵
- Twenty-year NPV = \$10.526 million saved

Conclusion: Realigning DFAS Limestone as a receiver site for 1,000 positions would require, based on the Cyr Construction Company cost estimates, a smaller initial investment than the scenario proposed by DoD. Although the military construction costs create a larger one-time cost than in the other two scenarios, there is a four year pay-back for these costs. By pursuing this scenario, instead of the one proposed by DoD, the government would save \$2.4 million in implementation costs and would produce twenty-year net present value savings of over \$10.5 million.

Using the less accurate generic DoD assumptions for military construction costs produces a larger one-time cost of \$1.581 million versus the \$2.4 million in savings using the certified Cyr estimates. It produces an eleven-year payback versus a four-year payback produced using the Cyr estimates. However, the generic assumptions produce a twenty-year net present value savings of \$6.386 million. Thus, regardless of the construction cost estimates used, the COBRA model demonstrates that it is always in the government's long-term interest to expand the DFAS Limestone facility.

¹⁵ These costs are: \$5.481 million in military construction costs, \$7.189 million in avoided moving costs, and \$994,000 in avoided personnel costs.

Attachment A

Certified COBRA Runs

Prepared by:

Ed Anderson, Aviation Management Consultant

Conklin & de Decker Associates

July 14, 2005



Ed Anderson, Aviation Management Consultant

Conklin & de Decker Associates

July 14, 2005

Introduction

For BRAC 2005, the Defense Department has proposed consolidating 26 DFAS facilities into three receiver sites:

DCS Columbus, Ohio

DFAS Indianapolis, Indiana

ARPC Denver, Colorado

The proposed consolidation promises to produce substantial long-term savings due primarily to the elimination of 1,206 positions as a result of improved efficiencies. These savings are partially offset by one-time costs such as military construction at Columbus, personnel costs (primarily civilian RIF costs), and moving costs.

Savings are also affected by recurring cost factors that vary among locations. They include civilian location factor (local pay adjustment), per diem costs and operating costs per square foot (overhead). The following table compares these factors for the three receiver facilities to those at DFAS Limestone.

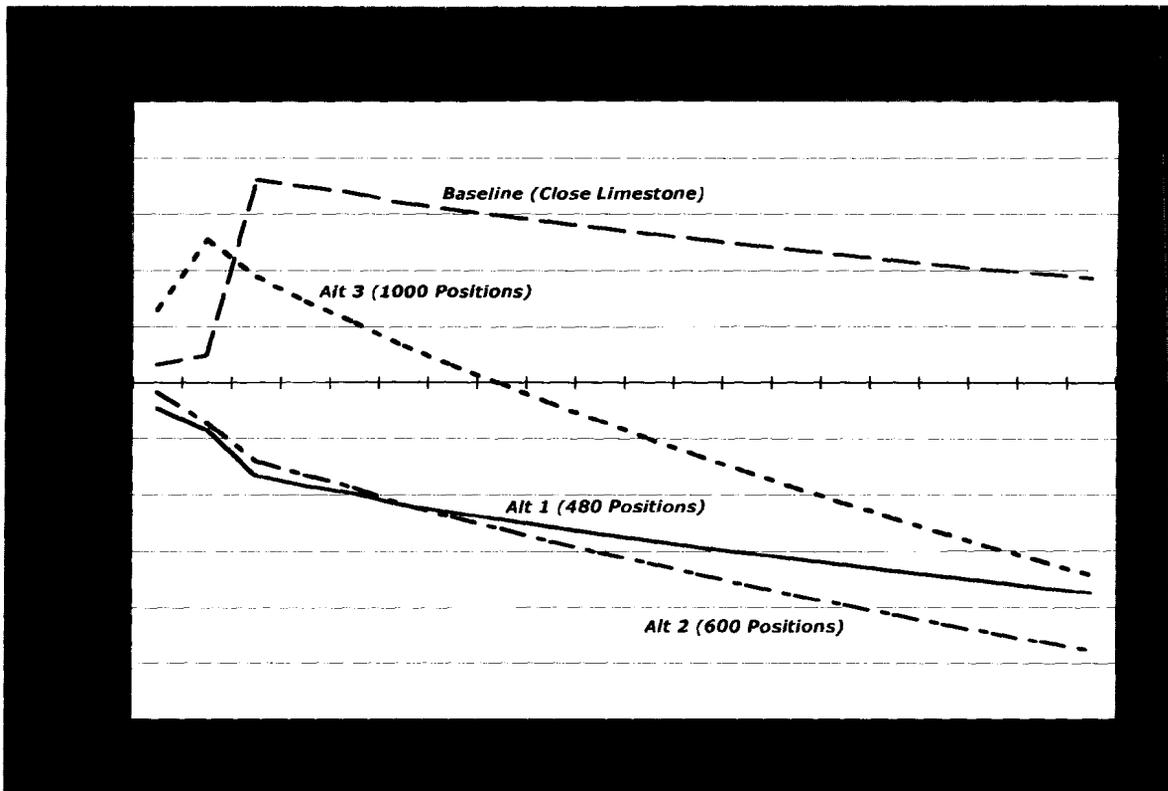
	Civ. Location Factor	Per Diem Rate	Operating Cost per Square Foot	MILCON Required?
DCS Columbus	1.131	\$ 118	\$ 8.27	Yes
DFAS Indianapolis	1.111	\$ 134	\$ 14.96	No
ARPC Colorado	1.167	\$ 159	\$ 9.15	No
DFAS Limestone	1.109	\$ 91	\$ 4.98	No

Representatives of DFAS Limestone interests have questioned whether three is the optimum number of receiver sites. They have suggested that retaining Limestone as a fourth receiver site and growing the facility will produce additional savings. According to this theory, costs would be saved by eliminating moving costs for 234 positions and by eliminating MilCon costs at Columbus. Recurring savings would also result from the lower personnel costs and overhead at Limestone.

The following analysis uses the DoD COBRA model to analyze the Return On Investment for the DoD's recommended scenario (HSA0018) for closing DFAS Limestone and explores three alternative scenarios. The four scenarios evaluated are:

- Baseline. Close Limestone – as per Scenario HSA0018
- Alternative 1. Grow Limestone to 480 Positions
- Alternative 2. Grow Limestone to 600 Positions
- Alternative 3. Grow Limestone to 1000 Positions

The following chart shows the comparative Net Present Value costs of these four alternatives. This analysis is based on Limestone MilCon cost estimates certified by Cyr Construction Company.



The following table summarizes the results.

Grow Limestone Alternatives Based on Certified MilCon Cost Estimates for Limestone

	Baseline (0)	Alt 1 (480)	Alt 2 (600)	Alt 3 (1000)
Payback	25 Years	Immediate	Immediate	4 Years
NPV Cost in 2025 (\$K)	3,672	-7,493	-9,568	-6,851
1-Time Cost (\$K)	7,806	-2,556	-1,875	5,104
Total Investment (\$K):				
MilCon	1,416	-2,091	-1,283	6,897
Personnel	1,106	-62	51	112
Moving	5,284	-404	-643	-1,905
Overhead	0	0	0	0
Other	0	0	0	0
TOTAL	7,806	-2,556	-1,875	5,104
Recurring Costs/Year (\$K)				
Personnel	-253	-315	-378	-1,124
Overhead	148	-240	-281	-460
Mission	-170	238	128	756
Other	0	0	0	0
TOTAL	-275	-317	-531	-828
Limestone Position Changes				
Before BRAC	241	241	241	241
Positions Eliminated	-7	0	0	0
Positions Realigned	-234	239	359	759
After BRAC	0	480	600	1,000

Recommendation: The Return On Investment for DFAS consolidation will be improved significantly by retaining DFAS Limestone as a receiving site and growing Limestone to 600 positions. This alternative would produce an immediate, substantial return on investment, strengthening the overall case for DFAS consolidation in the process. By pursuing this scenario, instead of the one proposed by DoD, the government would save over \$9.6 million in implementation costs with a 20-year NPV savings of over \$13.2 million.

Methodology

The COBRA model is limited to handling 20 bases in a single realignment scenario. When a scenario consists of more than 20 bases (as is the case with the DFAS consolidation), it must be broken down into two parts. Then an ADDER model is used to sum the results for the entire scenario.

The method used in our analysis was to start by running Part 1 of the DoD recommended scenario HS0018. The cost impact of each alternative investigated was determined by changing the inputs as required to define the alternative, then running the COBRA model again. Then, the new results were compared to the original results using an Excel spreadsheet to calculate the differences. This is analogous to determining the weight of a slice of pie by weighing the pie before and after the slice is removed.

By using this approach, we were able to maintain consistency with the original model and ensure that extraneous factors did not contaminate the analysis.

The Baseline Scenario – Close DFAS Limestone

It is clear that the overall business case for DFAS consolidation is compelling. However, the question remains, “Can better results be achieved by retaining Limestone as a receiver facility and relocating personnel from higher cost facilities to Limestone?”

In order to answer this question, we ran an alternative COBRA scenario where the data in the COBRA input fields were changed to indicate no Limestone realignment at all. Then, the new scenario results were compared to the original to measure difference. This difference represents the costs/savings attributable exclusively to the realignment of Limestone.

Limestone Positions:

Before BRAC	241
Gained/eliminated	-7
Realigned	-234
After BRAC	0
Starting Year :	2006
Final Year :	2008
Payback Year :	NA
1-Time Cost (K):	\$7,806
NPV in 2025 (K):	\$3,672 cost

Among other considerations, this scenario would require the renovation of 81,469 square feet of administrative space at a cost of \$3.9 Million. Some 36% of this space is to accommodate 148 positions realigned from Limestone to Columbus, at a cost of \$1.4 million. Personnel and moving costs are \$6.4 million.

Conclusion: While the overall business case for DFAS consolidation is good, the closure of DFAS Limestone would not contribute to that result. In fact, the closure of Limestone would require a one-time investment of \$7.8 million. There would be no NPV savings realized during the 20-year NPV period.

Another way of stating this is, “The business case for DFAS consolidation would be improved if DFAS Limestone were not closed/realigned.”

Alternative 1 – Grow DFAS Limestone to 480 Positions

In this scenario, DFAS Limestone would become a receiver site for 239 additional positions, bringing the total count up to 480. In defining this scenario, we assumed 239 Norfolk positions would relocate to Limestone instead of Columbus. This alternative totally eliminates the need for \$3.9 million in MilCon at Columbus. However, this is partially offset by \$391,000 in costs for 92 additional workstations at Limestone (certified estimate by Cyr Construction). This alternative also produces savings in other areas because personnel costs, overhead, etc. are lower at Limestone than at Columbus and Indianapolis.

Limestone Positions:

Before BRAC	241
Gained/eliminated	0
Realigned	239
After BRAC	480
Starting Year :	2006
Final Year :	2008
Payback Year :	Immediate
1-Time Cost (\$K):	\$2,556 saved
NPV in 2025 (\$K):	\$7,493 saved

When compared to the DoD proposed scenario, this alternative saves costs, as follows:

Net MilCon cost avoidance (\$K)	\$3,507
Moving cost avoidance (\$K)	\$5,688 (234 positions not moved)
<u>Personnel cost avoidance (\$K)</u>	<u>\$1,168</u>
Net 1-Time Costs (K):	\$10,362 saved
NPV in 2025 (K):	\$11,165 saved

Conclusion: Realigning DFAS Limestone as a receiver site would produce an immediate, substantial return on investment, strengthening the overall case for DFAS consolidation in the process. *By pursuing this scenario, instead of the one proposed by DoD, the government would save over \$10.3 million in implementation costs and net 20-year NPV savings of over \$11.1 million.*

Alternative 2 – Grow DFAS Limestone to 600 Positions

In this scenario, DFAS Limestone would become a receiver site for 359 additional positions, bringing the total count up to 600. In defining this scenario, we assumed that 79 positions would relocate from Charleston, SC to Limestone instead of Columbus and that 280 Norfolk positions would relocate to Limestone instead of Columbus and Indianapolis. This scenario requires renovating 24,000 sq ft of administrative space plus 120 additional workstations at Limestone at a cost of \$1.199 million, certified estimate from Cyr Construction Co. (Note: This estimate is consistent with the MilCon Cost of \$1.23 million calculated by COBRA using the default settings.)

It also produces additional savings in other areas because personnel costs, overhead, etc are lower at Limestone than at Columbus and Indianapolis.

Limestone Positions:

Before BRAC	241
Gained/eliminated	0
Realigned	359
After BRAC	600
Starting Year :	2006
Final Year :	2008
Payback Year :	Immediate
1-Time Cost (\$K):	\$1,875 saved
NPV in 2025 (\$K):	\$9,568 saved

When compared to the DoD proposed scenario, this alternative saves costs, as follows:

Net MilCon cost avoidance (\$K)	\$2,699
Moving cost avoidance (\$K)	\$5,927 (234 positions not moved)
<u>Personnel cost avoidance (\$K)</u>	<u>\$1,055</u>
Net 1-Time Cost (K):	\$9,681 saved
NPV in 2025 (K):	\$13,245 saved

Conclusion: Realigning DFAS Limestone as a receiver site would produce an immediate, substantial return on investment, strengthening the overall case for DFAS consolidation in the process. *By pursuing this scenario, instead of the one proposed by DoD, the government would save over \$9.6 million in implementation costs and 20-year NPV savings of over \$13.2 million.*

Congress of the United States

Washington, DC 20510

July 14, 2005

General Lloyd Newton, USAF (Ret.)
Base Realignment and Closure Commission
2521 South Clark Street
Arlington, VA 22202

Dear General Newton:

At the July 6, 2005 regional hearing in Boston, Massachusetts, you requested additional information with regard to the DFAS Limestone Field Site. Specifically, you requested that we provide the Commission with information detailing the estimated cost to increase the number of positions at Limestone to 600 and to 1,000. The information you requested is attached. We certify that the attached information is accurate and complete to the best of our knowledge.

As was presented in Boston, the Limestone facility can accommodate an additional 239 people for a total of 480 people with no military construction costs. Growing DFAS Limestone to 600 employees can easily be accomplished with minor facility upgrades such as modifying existing space and purchasing work stations. Cyr Construction of Caribou, Maine, has estimated the cost of these upgrades to be approximately \$1.2 million.

Expanding the facility by an additional 400 employees to a total of 1,000 workers would require construction of an addition to the existing facility. The DFAS Limestone facility sits on 15 acres of open land, so expansion is not a problem. The Loring Development Authority has agreed to donate the land necessary for expansion, including parking spaces and buffer areas, at no cost.

Cyr Construction has provided a certified estimate that the cost of construction of a two story, 70,000 square foot addition, including data and communications infrastructure, would be \$6.3 million. Adding workstations for 400 employees would cost an additional \$1.88 million. The total cost of the addition would be \$8.18 million.

We have included the results of COBRA runs for three scenarios: increasing Limestone's workforce to 480; increasing it to 600; and increasing it to 1,000 positions. For each personnel level, we ran the COBRA model using DoD generic assumptions for military construction costs, and using certified data for military construction costs at the Limestone Field Site provided by Cyr Construction, a local contractor who has performed extensive work at the site. **These COBRA runs show that in all cases, greater savings can be achieved by expanding DFAS Limestone instead of closing it as recommended by the DoD.**

We also have included information detailing how the workforce would be expanded to meet these increased personnel milestones.

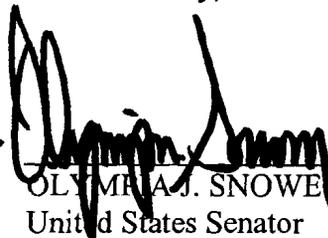
As we discussed at the July 6 hearing, the attached information demonstrates that increasing personnel at the Limestone Field Site would maximize savings and reduce costs overall relative to the DFAS consolidation proposal put forward by the DoD.

Please do not hesitate to contact us if you need any additional information in performing your vital mission.

Sincerely,



JOHN E. BALDACCI
Governor of Maine



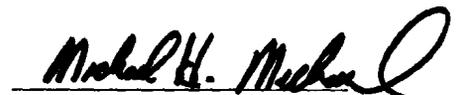
OLYMPIA J. SNOWE
United States Senator



SUSAN M. COLLINS
United States Senator



THOMAS H. ALLEN
United States Representative



MICHAEL H. MICHAUD
United States Representative

cc: Sec. Anthony Principi, Chairman, 2005 Base Realignment and Closure Commission
Hon. James Bilbray, Member
Hon. Philip Coyle, Member
ADM Harold Gehman, USN (ret), Member
Hon. James Hansen, Member
Gen. James Hill, USA (ret), Member
Hon. Samuel Skinner, Member
Gen. Sue Ellen Turner, USAF (ret), Member

Alternative 3 – Grow DFAS Limestone to 1000 Positions

In this scenario, DFAS Limestone would become a receiver site for 759 additional positions, bringing the total count up to 1000. In defining this scenario, we assumed that 349 Charleston positions, 130 Sill Oklahoma positions, and 280 Norfolk positions would relocate to Limestone instead of Columbus, Indianapolis and Colorado. This scenario requires renovating 24,000 sq ft of administrative space at Limestone plus a 70,000 square foot addition to the current limestone facility.

In this case MilCon costs were based on a certified estimate of \$9,379,000 provided by Cyr Construction Company. This value is judged to be more accurate than the default value used in the COBRA model because it correctly represents the cost of building an addition to an existing structure, rather than the cost of all new construction.

This alternative represents a lower implementation cost and better financial results than the DoD proposed scenario and shows the potential for future growth at Limestone.

Limestone Positions:

Before BRAC	241
Gained/eliminated	0
Realigned	759
After BRAC	1000
Starting Year :	2006
Final Year :	2009
Payback Year :	4 Years
1-Time Cost (\$K):	\$5,104 cost
NPV in 2025 (\$K):	\$6,851 saved

When compared to the DoD proposed scenario, this alternative saves costs, as follows:

Net MilCon cost (\$K)	\$5,481 cost
Moving cost avoidance (\$K)	\$7,189 (234 positions not moved)
<u>Personnel cost avoidance (\$K)</u>	<u>\$994</u>
Net 1-Time Cost (K):	\$2,702 saved
NPV in 2025 (K):	\$10,526 saved

Conclusion: Realigning DFAS Limestone as a receiver site for 1,000 total positions would require a smaller initial investment than the scenario proposed by DoD. The requirement to construct new facilities at Limestone would result in a four-year payback. This scenario shows excellent potential for accommodating future growth requirements. ***By pursuing this scenario, instead of the one proposed by DoD, the government would save over \$2.7 million in implementation costs and 20-year NPV savings of over \$10.5 million.***

Alternative COBRA Analyses Based on Default MilCon Values

The COBRA model has algorithms for calculating MilCon costs based on standard factors. As a crosscheck against the preceding analyses, we ran the above scenarios using COBRA's default settings. We found the following results (in \$ Thousands):

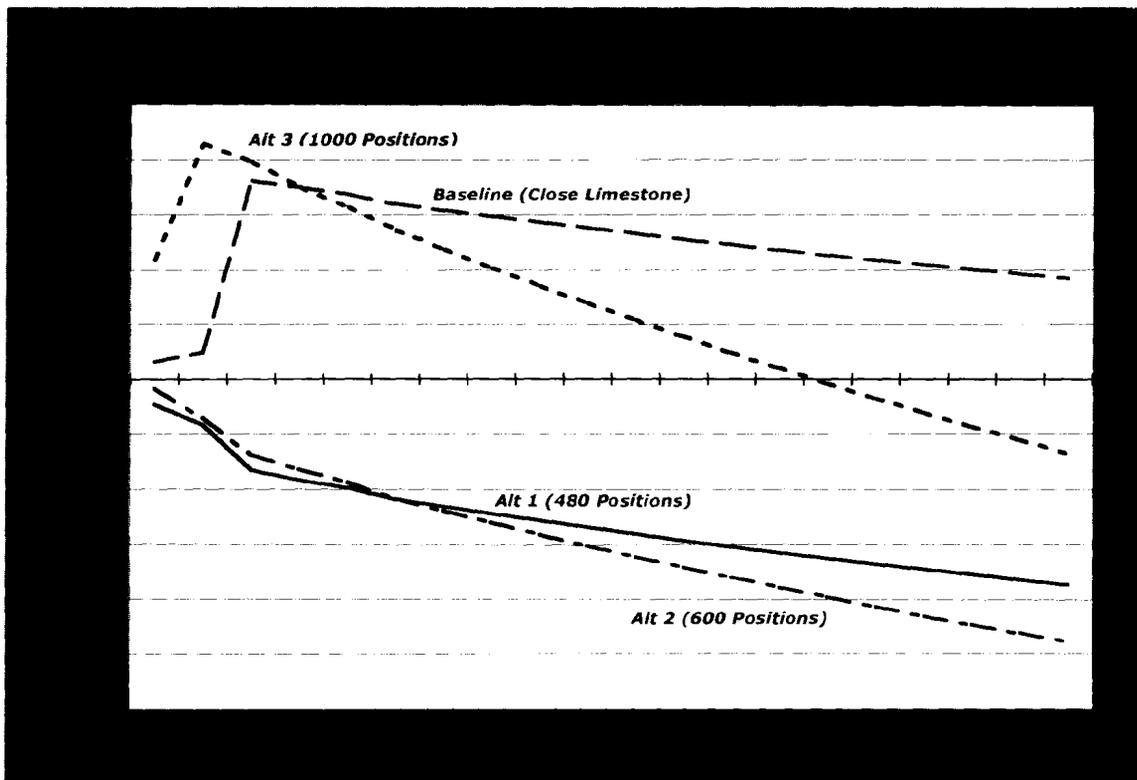
Total One-time Costs

	Based on Cyr Estimates	Based on Default Settings
Alt 1 (480)	(10,362)	(10,753)
Alt 2 (600)	(9,681)	(9,650)
Alt 3 (1000)	(2,702)	1,581

20-Year Net Present Value Savings

	Based on Cyr Estimates	Based on Default Settings
Alt 1 (480)	11,168	11,553
Alt 2 (600)	13,245	13,215
Alt 3 (1000)	10,526	6,386

Only in Alternative 3 was there a significant difference between the results using the two methods. This is due primarily to the fact that the default factor for MilCon is based on all new construction. However, DFAS Limestone has proposed adding 70,000 square feet to an existing building. Costs for this addition would be lower due to fact that the existing physical plant and infrastructure can accommodate this addition. For the record, the results of this alternative analysis are as follows:



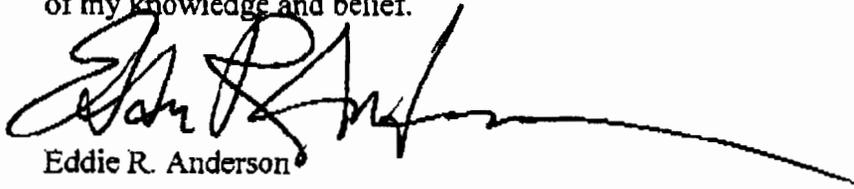
Grow Limestone Alternatives Based on Default MilCon Values

	Baseline (0)	Alt 1 (480)	Alt 2 (600)	Alt 3 (1000)
Payback	25 Years	Immediate	Immediate	11 Years
NPV in 2025 (\$K)	3,672	-7,493	-9,568	-2,711
1-Time Cost (\$K)	7,806	-2,556	-1,875	9,387
Total Investment (\$K):				
MilCon	1,416	-2,091	-1,283	11,180
Personnel	1,106	-62	51	112
Moving	5,284	-404	-643	-1,905
Overhead	0	0	0	0
Other	0	0	0	0
TOTAL	7,806	-2,556	-1,875	9,387
Recurring Costs/Year (\$K)				
Personnel	-253	-315	-378	-1,124
Overhead	148	-240	-281	-460
Mission	-170	238	128	756
Other	0	0	0	0
TOTAL	-275	-317	-531	-828
Limestone Position Changes				
Before BRAC	241	241	241	241
Positions Eliminated	-7	0	0	0
Positions Realigned	-234	239	359	759
After BRAC	0	480	600	1,000

Certification Memorandum:

Subject: Base Realignment and Closure (BRAC) 2005 Certification of Information

I certify that the information provided in this analysis is accurate and complete to the best of my knowledge and belief.

A handwritten signature in black ink, appearing to read "Eddie R. Anderson", with a long horizontal flourish extending to the right.

Eddie R. Anderson

Aviation Management Consultant

Conklin & deDecker Associates

Certification Memorandum:

Subject: Base Realignment and Closure (BRAC) 2005 Certification of Information

I certify that the information provided in this analysis is accurate and complete to the best of my knowledge and belief.

Eddie R. Anderson
Aviation Management Consultant
Conklin & deDecker Associates

Attachment B

Certified Construction Cost Estimates

For the Limestone Field Site

Prepared by:

Cyr Construction Company

June 24, 2005

DCN: 11555



CYR CONSTRUCTION COMPANY

GENERAL CONTRACTORS
P.O. BOX 520
CARIBOU, MAINE 04736

PHONE
(207) 498-3481
FAX
(207) 498-2831

June 24, 2005

Carl Flora
Loring Development Authority
154 Development Drive, Suite F
Limestone, ME 04750

Dear Carl:

In 1998 Cyr Construction was awarded the contract to convert the former Loring Air Force Base hospital into the current DFAS facility, including the procurement and installation of the workstations through Unicor/Federal Prison Systems. We completed the \$6.6M contract four months early and close to a million dollars under budget.

Drawing from our experience with this project and similar others, we are able to provide you with the following estimates:

1. Add 92 workstations in the open area of the existing facility; an estimate of \$391,000.
2. Convert and fixture the first floor Records Warehouse and the second floor Receiving Warehouse with 120 workstations, an estimate of \$808,000.
3. Construct a two story 70,000 square foot addition adjacent to the existing facility:
 - a. Cost of a building addition in a design different from, but complimentary to, the existing facility, based on current market costs, not including workstations, including data and communication s infrastructure, an estimate of \$6,300,000.
 - b. Cost of workstations, an estimate of \$4,700 per station including the wiring thereof.

Architectural and engineering fees would need to be added to the above estimates. These estimates assume the utilization of workstations from Unicor/Federal Prison Systems matching the existing systems furniture. A substantial savings could be realized if the systems furniture could be procured from a private source.

I hereby certify that this information is accurate and complete to the best of my knowledge.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Dale P. Michaud'.

Dale P. Michaud
Project Manager

Attachment C

Construction Cost Estimates and Workforce Capabilities

Prepared by:

Carl Flora

President and CEO

Loring Development Authority

And

Galen L. Rose

Acting State Economist

State of Maine

July 14, 2005



LORING COMMERCE CENTRE

July 14, 2005

General Lloyd Newton, USAF (Ret.)
Base Realignment and Closure Commission
2521 South Clark Street
Arlington, VA 22202

Dear General Newton:

This letter is in response to your request for additional information at the July 6 regional hearing in Boston, Massachusetts.

The Loring Development Authority fully supports expanding the DFAS Limestone Field Site. In connection with the proposal to expand Limestone to 1,000 employees, the Loring Development Authority -- who owns the vacant real estate around the DFAS Limestone Field Site -- stands ready to donate up to ten acres of land at no cost to support such an expansion by adding that acreage to the existing no cost 50 year renewable lease.

In order to grow from its current workforce of 353 to 1,000 employees, DFAS Limestone would need to recruit and hire 647 individuals over the next several years. This hiring would not need to take place immediately since an expansion beyond 600 (absent use of shift work) would require military construction to expand the Limestone facility.

I am familiar with the Aroostook County economy and workforce. I have studied the economic data previously prepared and submitted to the Commission. The information available demonstrates that the local workforce can accommodate an expansion to 1,000 employees. The workers likely would come from several sources.

First, in 2005, there are 2,800 people in Aroostook County currently working in occupations common to DFAS operations. Because DFAS jobs pay 50% more than the average job in Aroostook County, DFAS is, and would continue to be, a regional "employer of choice," luring skilled workers from other employers in the area.

Second, as was described in a study done by the University of Southern Maine Center for Business and Economic Research in October 2004, there is a "shadow workforce" of individuals, including many young people, who have left the County but who would return to Aroostook County if there were suitable career opportunities commensurate with their skills.

Third, some of the individuals currently employed at other DFAS facilities slated for closure as part of the consolidation plan likely would choose to relocate to Limestone versus moving to a more urban location such as Denver, Indianapolis, or Columbus.

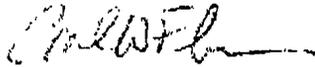
Loring Development Authority of Maine
154 Development Drive, Suite F Limestone, Maine 04750
phone: (207) 328-7005 fax: (207) 328-6811 e-mail: LDA@loring.org

DCN: 11555

Finally, the certified testimonials already provided to the Commission by companies who have chosen to locate their businesses in Aroostook County attest to the ability of companies to meet their employment needs in Aroostook County. These six companies employ 2,475 skilled workers. Over the past decade, they have successfully recruited, hired, trained, and maintained in the Limestone area a workforce many times larger than the number that would be required to expand the DFAS Limestone facility to 1,000 positions.

This information is accurate and complete to the best of my knowledge.

Very truly yours,

A handwritten signature in black ink, appearing to read "Carl W. Flora", with a horizontal line extending to the right.

Carl W. Flora
President & CEO



JOHN ELIAS BALDACCI
GOVERNOR

STATE OF MAINE
EXECUTIVE DEPARTMENT
STATE PLANNING OFFICE
38 STATE HOUSE STATION AUGUSTA, MAINE 04333

MARTHA E. FREEMAN
DIRECTOR

July 13, 2005

Secretary Anthony Principi
Chairman, Defense Base Realignment and Closure Commission
2521 S. Clark Street, Suite 600
Arlington, VA 22202

Dear Chairman Principi:

The case has been made in the various documents and oral testimony delivered to the BRAC Commission over the past few weeks that the Limestone, Maine DFAS facility is a prime candidate for expansion. My purpose here is to make a more concise statement of the facts from an economist's point of view as I believe they make a compelling case.

Current employment at the Limestone DFAS is 361. In 2004, the Civilian Labor Force of Aroostook County averaged 36,830, far more than necessary to man a facility of 1,000 or so workers. The principal labor related arguments for an expansion of the Limestone facility can be summarized as follows:

- 1) Current average annual pay at the facility is \$39,000, nearly 60% greater than the average payroll worker in the county earns (\$25,000). These jobs are highly desirable!
- 2) In a recent workforce expansion of 80 jobs, the facility received 400 resumes, a 5 to 1 ratio.
- 3) New hires at the facility take less than 10 days to complete, one of the lowest rates in the DFAS system.
- 4) The turnover rate at the facility is less than 5% per year, compared to 9.2% for the average payroll job in Aroostook County.
- 5) According to a recent Maine Department of Labor study, "There is a substantial pool of people working in related occupations [in Aroostook County] who have the knowledge, skills, and other attributes necessary for success in functions performed in DFAS operations."
- 6) There is a substantial untapped "shadow" labor force consisting of recent out-migrants from Aroostook County, who have left primarily for lack of economic opportunity, and current DFAS employees in other parts of the US who prefer to live in rural areas and would thus not consider transferring to facilities located in metro areas.
- 7) The University of Maine, the Northern Maine Community College campuses in Presque Isle, and Husson College in Caribou offer accounting, business, information systems, and other programs of academic and professional development that will sustain a strong supply of workers with the education and skills necessary for success in DFAS operations.

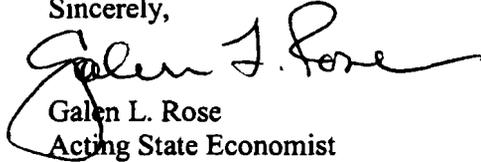
DCN: 11555

Clearly, the labor economics prove that the Limestone DFAS facility is an excellent, perhaps unexcelled, candidate for expansion. I believe the facility could be expanded easily to a workforce of 1,000.

We thank you for your consideration of this case and hope that you will share this information with your Commission colleagues.

I hereby certify that the data contained in this letter are true and accurate to the best of my knowledge.

Sincerely,

A handwritten signature in black ink, appearing to read "Galen L. Rose". The signature is fluid and cursive, with a large initial "G" and "L".

Galen L. Rose
Acting State Economist

**Migration and Youth Migration from
Aroostook County:
Trends, Factors, and Implications**

Final Report

Prepared for
Northern Maine Development Commission

By
University of Southern Maine
Center for Business and Economic Research

Charles S. Colgan, Ph.D.
Principal Investigator

Bruce H. Andrews, Ph.D.
Project Director

October 2004

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Executive Summary

Aroostook County has faced a problem of out-migration among its youth for decades. Concern about youth leaving the County has grown steadily, particularly since the closing of Loring Air Force Base a decade ago. This study was commissioned by the Northern Maine Development Commission to examine in depth the reasons that youth tend to leave Aroostook County and to examine the possibilities for policies and programs that might help the County retain its youth or encourage those who leave to return.

The study examines the issue of youth out-migration by analyzing data on actual migration trends from the Census and from Internal Revenue Service data and also uses surveys of both high school and college students in Aroostook to explore their views on where they expect to live, what they find attractive or not about the County, and their views on possibly returning to Aroostook, if they do leave.

1. Major Findings

Analyses of the data from all of these sources have yielded major findings that fall into four categories:

1. 1. Location Trends, Expectations, and Preferences

- Aroostook youth are more likely to leave for other destinations in Maine than for out of state destinations. Penobscot County appears to be the most popular destination for youth out-migrants.
- Aroostook youth migration patterns are probably not significantly different from the youth migration trends found in other parts of northern, western, and eastern Maine.
- The common perception that youth leave Aroostook County in search of better career and income prospects is generally true, though there are other factors that determine location decisions. Among these are the types of careers people seek, the depths of their connections to the County, and to some extent their gender.
- Analysis of income data for Aroostook out-migrants (of all ages) suggests that those with lower incomes tend to be the ones to leave and those with higher incomes tend to be the ones to stay.
- A higher proportion of college students expect to live in Aroostook County than high school students; but this is because the high school population contains a large population that expects to leave for college. Thus, Aroostook colleges have already captured an important part of those who will stay.
- Both high school and college students in Aroostook report strong preferences to live in rural areas or smaller urban areas rather than large urban areas. This is consistent with the finding that most youth migrants move to places like Bangor and Portland rather than larger urban centers like Boston.

1.2. Education and Careers

- Aroostook high school students have high expectations for further education. Leaving Aroostook County is most often in pursuit of these expectations and the careers associated with college educations.
- High proportions of both high school and college students indicate they expect to continue their education after their current programs are completed. Women are more likely than men to seek additional education.
- Maine colleges are the predominant choice for those who will pursue additional education for both high school and college students.
- Those pursuing education, health, and social services occupations are most likely to stay in Aroostook. These are also most likely to be occupations of women. Business related careers tend to be associated with staying in Aroostook County; this includes those who indicated they want to start a business.
- Those expecting to pursue careers in the arts, professions, and technology-related areas are the most likely to leave Aroostook.

1.3. Attractions of Aroostook

- Aroostook colleges offer a combination of good programs, affordability and size, which makes them very attractive to those who attend them and to those high school students in Aroostook County considering attending them.
- The longer youth have lived in Aroostook County, the more likely they are to want to, and to expect to, stay or return to the County.
- The characteristics of Aroostook County associated with staying or leaving tend to be the opposite of one another. Those who expect to stay rate the ability to be near family and friends and the affordable rural life style as key factors. It should be noted that high school students cite their parents as the most influential source of information about location decisions.
- Those who are likely to leave cite career and income concerns as the key attractions of other locations and as the detriments to remaining in Aroostook.

1.4. Returning to Aroostook

- About 70% of college students and 77% of high school students said they definitely will return or would like to return to Aroostook if they leave. But only slightly more than 20% indicated that they definitely will return.

- Aroostook County colleges attract a number of students from outside the region. These students are less likely to say they will return after their education, but are about as likely as Aroostook County students to say they would like to return at some point in the future.
- Among both high school and college students, jobs and career-related opportunities and information are the most important considerations in decisions about whether to return to the County.
- Such programs as student loan forgiveness programs may have some attraction, particularly for the 40% or so of college students who finance more than half of their education with loans. However, there is no clear evidence that such programs would have a large effect.

2. Implications

The implications of these findings for economic development and other policies affecting youth can be summarized as follows:

- The principal factor affecting youth location choices in Aroostook County is the desire to seek additional education in order to improve career and income prospects. Where the appropriate education is available and where it offers good prospects in the County, youth will tend to stay. Where it does not, youth will tend to leave.
- It will be easiest to attract youth to stay for careers in health, social services, and education. These are also the careers most attractive to women, who also report slightly higher preferences to leave Aroostook. It will be most difficult to retain youth who are interested in the professions, in scientific, artistic, and technological occupations. Economic development efforts to grow opportunities in these areas will be most successful in attracting and retaining youth.
- State programs such as the Creative Economy initiative, support for research and development, the Maine Technology Institute, and tourism development are all operating in areas that will be key to the growth of jobs and opportunities that will retain youth in Aroostook County.
- Aroostook County has a number of attractive features for youth, including its institutions of higher education, which are seen as having good programs, are affordable, and are appropriately sized for a number of students. These institutions are a considerable strength in attracting youth to Aroostook. The affordable rural life style, including recreational opportunities, is an important asset for the County, but these assets cannot overcome the perceived lack of career opportunities in certain fields.
- It will be possible to encourage some youth to return to Aroostook County. While a solid majority of high school and college students indicated they will return or wish to return if they leave, the proportion indicating that they definitely will return is not large. So, encouraging the return of youth should be a part of, but by no means all of, a strategy for dealing with youth out-migration. Strategies that improve the prospects of youth staying

in Aroostook by virtue of improved careers will be also be the key to attracting young out-migrants to return.

- The attractiveness of small cities and rural areas for the majority of Aroostook youth focuses attention on the growth and development of places like Presque Isle, Houlton, Fort Kent, and Madawaska. The availability of urban amenities such as cultural events, night life, shopping, etc. will be part of the consideration of youth seeking attractive locations to live and work. Clearly, the development of attractive urban amenities in those locations in Aroostook County that can support them will be an important part of the package of efforts needed to retain youth.

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MEMORANDUM

Date: June 16, 2005

From: Maine delegation and HSGAC staff

To: BRAC Commission staff

Re: Why the Commission Should Change DOD's recommendation to Close DFAS Limestone

In this memo, our goals are to (1) set forth in summary form the arguments in opposition to the decision to close the DFAS Limestone facility, and (2) provide justification for a realignment of the Limestone facility, and (3) suggest the questions and areas of inquiry we believe the BRAC Commission should pursue to help it make the best decision for DFAS Limestone, DOD, and the nation.

Substantial Deviation

For the reasons discussed below, the Secretary of Defense "deviated substantially from the . . . final criteria" pursuant to Section 2903(d)(2)(B) of the BRAC statute. Therefore, the recommendation of the Secretary to close DFAS Limestone should be changed, and the facility realigned as a receiving location for DFAS work.

The Secretary Deviated Substantially from the Military Value Criteria

Four of the eight BRAC criteria relate to military value. The Secretary determined military value by creating a military value model containing a scoring plan assigning weight to various criterion and underlying metrics. However, the model itself deviated substantially from the BRAC criteria in certain respects. In other words, it contained flawed assumptions. These substantial deviations are present on the face of the model, and do not require the production of any certified data to support them.

In addition, the military value model was run with inaccurate data with regard to the DFAS Limestone facility. If correct data were used, the DFAS Limestone facility would have had a substantially higher military value score. These inaccuracies also constitute substantial deviations from the BRAC criteria. We are working to collect for the Commission certified data supporting this argument. However, because of our concerns regarding the integrity of this underlying data and our ability to collect it in the short time available before the July 6 hearing, we also suggest the Commission itself request the data.

Flawed assumptions

- Criterion One Fifteen percent of the military value score is based on whether the facility is on a military installation. This model gives no credit for an otherwise

secure facility like Limestone which has an anti-vehicle fence, controlled entry and large buffer zone around it. The reason provided to congressional staff at our briefing for why this was the approach – that OSD-BRAC would have had to visit each facility to evaluate security and they did not have time to do that – should be unacceptable to the Commission. Security is a critical consideration, but should be considered on a facility-specific basis. While full credit might arguably be given facilities on military bases, facilities such as Limestone should not arbitrarily and capriciously be given no credit. In addition, the military value analysis deviated substantially by failing to include consideration of security of electric supply. Limestone received no credit for the fact that it has generators and has never lost a day of work due to power loss, a key element of financial security.

- Criterion One Five percent of the military value score is based on the local workforce pool. However, the model gives a score of zero for facilities if they are not listed on a Department of Labor MSA/PMSA workforce listing. This metric arbitrarily and capriciously penalizes a facility such as Limestone, located in a rural location, which, as DOD acknowledges, has never had difficulty locating and hiring qualified applicants for its positions.
- Criterion One Three percent of the military value analysis relates to whether the facility has a “one-of-a-kind corporate process application,” defined as “a corporate process application, which resides at one and only one place.” There is no logical reason to include such a metric unless the application cannot be recreated in another facility within the BRAC time horizon. Otherwise, this would reward a facility for being inefficient and stand-alone. In fact, DOD concluded exactly that, stating “Analysis associated with the business process review element resulted in a finding that the one-of-a-kind corporate process applications identified had limited or no real impact on possible workload and manpower relocation. In fact, the FM team findings are (1) that DFAS functions can be accomplished at any location with a DISN point of presence and meeting DOD AT/FP Standards; and (2) that the BRAC six year process allows adequate time to hire and retrain new employees or retrain current employees to support one-of-a-kind corporate process applications.” Inclusion of this metric constitutes substantial deviation from the BRAC criterion number one since, as DOD acknowledges, it bears no relation to current and future mission capabilities.
- Criterion Two Although BRAC criterion 2 explicitly states that military value shall be based on “the availability and condition of land,” the military value model DOD created did not include a metric capturing that data. This penalized the Limestone facility since land around that facility would be provided to DOD at no cost, something for which Limestone properly should have been given credit. This was a substantial deviation from the plain language of this criterion.
- Criterion Three Seven percent of the military value analysis captured in this criterion is based on the local population workforce pool. This double counts this metric vis-à-vis Criterion One above and unfairly penalizes Limestone again. Moreover, it inappropriately emphasizes the need for personnel-based surge capacity in the DFAS organization. Because DFAS is a technology-based virtual organization, surge capacity should be considered system-wide and largely from a

technology standpoint. It should not be a prerequisite for each facility to have surge capacity related to its local workforce. This approach is inconsistent with the DFAS business model, and the undue weight it is given in the military value model for Criterion Three substantially deviates from that criterion as it is applied to DFAS.

Flawed Data

We believe data input to the military value analysis model was inaccurate. For example:

- Limestone received a “red” score for facility condition assessment rating when it should have been “green.” We believe the basis was the inclusion of optional construction projects from DFAS budget data. We have requested the underlying data from DOD with respect to this issue.

The Secretary Deviated Substantially from Criteria 5 – 8 relating to “Other Considerations”

We believe the DFAS consolidation decision was a product of the desire by DFAS to dramatically shrink the number and redundancy of its sites, coupled with the desire by OSD-BRAC modelers to avoid spending any money on military construction. OSD-BRAC modelers determined that they could “fit” all projected DFAS personnel into the three large facilities slated to remain open with no new construction. At first, they tried to fit DFAS into two sites, which they concluded would have been the most efficient approach while maintaining strategic redundancy, but found that would involve too much in military construction costs, so they settled on three sites. The remaining sites, except for small specialty ones, they have proposed to close.

However, in arriving at this conclusion, we believe that DOD failed adequately to consider several important issues with regard to BRAC Criteria 5 – 8. For example:

- Criterion Five It is our understanding that the cost to close DFAS Limestone is approximately \$6 million while the savings to DOD during fiscal years 2006 – 2011 are only \$3.2 million. We are seeking this data from DOD. If this data is accurate, then clearly the saving would not exceed the cost during the BRAC years, and DOD has deviated substantially from Criterion number five.
- Criterion Six We have not seen any evidence that DOD appropriately considered the economic impact of the closure decision on the DFAS Limestone community. DOD’s own analysis demonstrates that Limestone’s community would be more affected by the closure of its DFAS facility than any other community with a DFAS site slated for closure. The impact would be devastating. This factor should have been given considerable weight in the consolidation decision. Yet, as best we can determine, economic impact appears to have been given no weight whatsoever since DOD has acknowledged in a written response to our inquiry that “no scenarios were developed with more than 3 gaining locations.” In other

words, they never ran a scenario that kept DFAS Limestone open along with the other three facilities. If that is the case, they have substantially deviated from Criterion six.

- Criterion Seven We have located numerous examples of flawed demographic data that appear to have affected DOD's consideration of this criterion to Limestone's detriment. In our briefing with DOD-BRAC staff on June 14, 2005, they agreed that some of this data as well as the models developed by JPAT 7 were "problematic." We are seeking more data from DOD on this issue.

The Case for Realigning Limestone

In our discussions with DFAS staff, it became clear to us that, although DFAS believes it should substantially reduce its excess capacity and redundant field sites, keeping DFAS Limestone open and expanding it to 600 people would be fully consistent with the DFAS transformation strategy to create "centers of excellence" for particular kinds of work.

As will be demonstrated to the Commission on June 28 during the Commission visit and thereafter in connection with the July 6 hearing, the Limestone facility can be easily modified at minimal cost to support 600 employees. The operating costs per square foot at the DFAS facility are among the lowest in the DFAS system, and locality pay is the lowest in the DFAS system. As mentioned earlier, land around the facility is free.

The Deputy Director of DFAS, General Eakle, told us that they are not sure what DFAS' organizational structure will look like in the coming years, that they are looking to private industry for models of how better to organize DFAS operations, and that they have not yet developed a model for their future structure, pending the outcome of the BRAC process. We asked General Eakle directly what DFAS would do if the BRAC Commission decided to keep Limestone open and realign it to increase its size. General Eakle responded that DFAS would determine which business line would make most sense to put there and seek to build a "center of excellence" in Limestone.

We believe that this outcome would be consistent with the BRAC statute and criteria, would support an approach of strategic redundancy, would promote geographic diversity, and would enhance the DFAS business model.

Areas of Inquiry for the BRAC Commission

We believe the BRAC Commission should have the best and most accurate information available to it in order to make its decisions, and we are committed to helping the Commission to get that information so it can perform its important work. Accordingly, we suggest that the Commission:

- Request that DOD run the COBRA model for a "four center" scenario with Limestone as one of the four receiving centers along with Denver, Indianapolis, and Columbus. We believe this will demonstrate that the benefits of realigning Limestone will exceed the costs of closing the facility.

- Request from DOD the cost to shutdown the various DFAS locations and the savings generated from the closures, by location and by year.
- Ask DOD for an explanation of why “local population workforce pool” was double-counted in the military value analysis under criterion one and criterion three.
- Ask DOD for an explanation of why no attempt was made to evaluate the facility security of each DFAS facility and to instead use a binary measurement with regard to presence on a military installation.
- Ask DOD for an explanation of why there was no consideration of “the availability and condition of land” at DFAS Limestone despite an explicit requirement in criterion two to include that fact as an element of military value.
- Consider excluding from the military value analysis the “one-of-a-kind corporate process application.
- Ask DOD for an explanation of how their decision to select the three receiving locations included consideration of “the economic impact on existing communities” as required by BRAC Criterion Six.
- Ask DOD for an explanation of the data on maintenance and repair requirements submitted to the HAS-JCSG that resulted in a "red" facilities condition code for Limestone.
- Ask DOD-DFAS for an explanation of their “centers of excellence” concept.
- Ask DOD for an explanation of the methodology supporting their analysis for Criterion 7, as well as the accuracy of their demographic data with regard to the DFAS Limestone facility.

6116/05
DCN 11555

Congressional Delegation

(C)

- Try to get behind the data elements
- Intent to meet burden of substantial deviation

— One - of on Mil (Installation)
 yes or no
 Mac credit given if on a secure Family

- 15% -
 - investment has - anti-viral Family
 - why not get credits secure Family

— DBRAE
 People did not take any of
 the facilities

— Meter if below 100, can use per L
 so they got zero

— However DAs - can be
 able to hire people very quickly -

- 9.2 day Postal
 - unfilled - underemployed -
 - cost 2000^{APP} per year

— One of a kind computer process app.

They lost 3 pts —

Started out trying to understand an issue, but def DPAs - Function can be accomplished anywhere

Fed should not be considered

Cat 2 - Should include Availability of -
- but there is no - Redundant

a authority would give them
Load -

BAAE They wanted to get the few sites -

with no more a hundred mil/cor

Surge capacity -

Why question - but they need to grow
surge - individually - instead of
system-wide -

Concerns with accuracy of data -

How were the Facilities Rated - ?

Line checked -

They have a good Facility

— Where uses the economic issue considered in their optimization model

Econ Analysis - Jobs in proportion of the UK economy
 Limestone > Manufacturing
 — Don't see this in the analysis

Limestone area - These jobs are highly
 paying - for the area -
 50 - good paying jobs.

Costs to close Limestone -

— Copy to Tomlinson Letter -
 Costs to close vs the savings

Check DFAS rec. for PRAC acts on 3% of the
 personal savings

— Used DITRA analysis —
for threat assessment —

day not cyber security — considered

— located in

How was the threat assessment driven and
scored out .

— Located in former hospital — so has building
generators ^{Four}

Driving to Center of Excellence —
DIA/TIA told us they could put a site there

Did they run any Facility beyond for
over 3 —

PPAC — they did use Cobra run —

What used Cobra looks like a 12 4-site

— Smaller less expensive areas in rural areas —

— spare virtual — sites —

what would be the most economic areas —

- 4 colleges there - to recruit from
- 87 position
400 people

- keep to 3 have in place -
7 sign off on the Central Exclusion
1 @ limestone -
- 600 people -
↓
Cost of closure -

✗ - Do a Cuba - with more sites -
4-5-6 - see what happens

Economic Impact to Region -

Just to rest you recovered -
for 10-12 years
BRAC 97

- DPA's Fort - put sick in or a
Mitigation to Fort's the
closure - of Corby

— Mr. Hays value —

Cost savings to can bring back

—
—
—

Limestone Defense Finance and Accounting Service - Closure

DoD Recommendation

Close Defense Finance and Accounting Service (DFAS) site at Limestone, ME. Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.

DoD Justification

- This action accomplishes a major facilities reduction and business line mission realignment, transforming the current DFAS organization into an optimum facilities configuration, which includes strategic redundancy to minimize risk associated with man-made or natural disasters/challenges. The current number of business line operating locations (26) inhibits the ability of DFAS to reduce unnecessary redundancy and leverage benefits from economies of scale and synergistic efficiencies. Overall excess facility capacity includes approximately 43 percent or 1,776,000 Gross Square Feet (GSF) in administrative space and 69 percent or 526,000 GSF in warehouse space with many locations lacking adequate threat protection as defined in DoD AT/FP Standards. Finally, the three locations have potential to evolve into separate Business Line Centers of Excellence and further enhance "unit cost" reductions beyond the BRAC facilities/personnel savings aspect.

Cost Considerations Developed by DoD

- | | |
|---|-------------|
| ● One-Time Costs: | \$282.1 M |
| ● Net Savings (Cost) during Implementation: | \$158.1 M |
| ● Annual Recurring Savings: | \$120.5 M |
| ● Expected Payback: | 0 years |
| ● Net Present Value over 20 Years: | \$1,313.8 M |

Limestone Defense Finance and Accounting Service - Closure

Manpower Implications for DFAS Limestone - Closure

The table below shows the number of positions to be reduced at Limestone DFAS at a lower number than is currently at this site—241 positions versus 354 (excluding 10 contractors). This is because when conducting their analysis the OSD BRAC office used DFAS’s programmed personnel changes through 2011. Due to program reductions regardless of BRAC, DFAS has planned to reduce their overall workforce due to increased efficiencies from information technology and common system improvements.

Table 1: Limestone Manpower

	Out	
	<u>Military</u>	<u>Civilian</u>
Current on Board (April 2005)	1	353
Program Reductions thru 2011	1	112
Positions Available for BRAC Consideration		241*

*The Commission rule is to visit those sites that will have a loss of 300 or more positions.

ECONOMIC IMPACT

Limestone, ME

- Potential Employment Loss: 390 jobs
- (241 direct and 149 indirect)
- MSA Job Base: 41,134 jobs
- Percentage for this action -0.9 %
- Percentage for actions in MSA -0.9%

	10.3	9.2	8.9	7.1	5.4	4.3	4.4	4.9	5.8	6.1
	3963	3520	3415	2669	2043	1600	1608	1803	2199	2338
	34650	34546	34981	34788	35470	35697	34928	35098	35505	35838
	38613	38066	38396	37457	37513	37297	36536	36901	37704	38176

	5.8	5.2	5.1	4.5	3.9	3.4	3.9	4.4	5.0	4.6
	37130	34190	33743	29495	26322	23212	26336	30169	34734	32119
	601565	617479	624410	627920	641351	651183	649955	654522	659579	667223
	638695	651669	658153	657415	667673	674395	676291	684691	694313	699342

Personal income	1,461,132	1,539,909	1,628,059	1,736,191	1,812,612
Nonfarm personal income 1/	1,417,583	1,504,948	1,600,888	1,706,345	1,784,262
Farm income 2/	43,549	34,961	27,171	27,846	28,350
Population (persons) 3/	74,227	73,904	73,133	73,151	73,260
Per capita personal income (dollars) 4/	19,685	20,837	22,262	23,734	24,742
Earnings by place of work	986,374	1,032,834	1,088,985	1,149,301	1,193,787
Less: Contributions for government social insurance 5/	112,108	116,799	123,052	126,833	129,914
Employee and self-employed contributions for government social insurance	58,281	60,516	64,943	69,312	71,976
Employer contributions for government social insurance	53,827	56,283	58,109	57,521	57,938
Plus: Adjustment for residence 6/	1,066	1,292	1,703	1,205	-1,294
Equals: Net earnings by place of residence	875,332	917,327	967,636	1,023,673	1,062,579
Plus: Dividends, interest, and rent 7/	207,974	224,751	233,966	253,956	251,658
Plus: Personal current transfer receipts	377,826	397,831	426,457	458,562	498,375
Wage and salary disbursements	703,838	746,317	777,061	809,204	838,596
Supplements to wages and salaries	161,449	171,583	183,967	204,777	216,981
Employer contributions for employee pension and insurance funds	107,622	115,300	125,858	147,256	159,043
Employer contributions for government social insurance	53,827	56,283	58,109	57,521	57,938
Proprietors' income 8/	121,087	114,934	127,957	135,320	138,210
Farm proprietors' income	25,404	13,967	6,260	5,458	1,291
Nonfarm proprietors' income	95,683	100,967	121,697	129,864	136,919
Total employment	40,190	40,893	40,783	41,003	41,296
Wage and salary employment	32,156	32,653	32,641	32,619	32,643
Proprietors employment	8,034	8,240	8,142	8,384	8,653

1. Nonfarm personal income is total personal income less farm income.
2. Farm income is farm earnings less farm employer contributions for government social insurance.
3. Midyear population estimates of the Bureau of the Census.
4. Per capita personal income is total personal income divided by total midyear population.
5. Contributions for government social insurance are included in earnings by type and industry, but they are excluded from personal income.
6. The adjustment for residence is the net inflow of the earnings of interstate commuters. For the United States, it consists of adjustments for border workers: wage and salary disbursements to U.S.
7. Rental income of persons includes the capital consumption adjustment.
8. Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.
9. Cibola, NM was separated from Valencia in June 1981, but in these estimates Valencia includes Cibola through the end of 1981.
10. La Paz County, AZ was separated from Yuma County on January 1, 1983. The Yuma, AZ MSA contains the area that became La Paz County, AZ through 1982 and excludes it beginning with 1983.
11. Estimates for 1979 forward reflect Alaska Census Areas as defined by the Census Bureau; those for prior years reflect Alaska Census Divisions as defined in the 1970 Decennial Census. Estri
12. Shawano, WI and Menominee, WI are combined as Shawano (incl. Menominee), WI for the years prior to 1989.
13. Broomfield County, CO, was created from parts of Adams, Boulder, Jefferson, and Weld counties effective November 15, 2001. Estimates for Broomfield county begin with 2002.

Total employment	40,783	41,003	41,296
Wage and salary employment	32,641	32,619	32,643
Proprietors employment	8,142	8,384	8,653
Farm proprietors employment	1073	1098	1097
Nonfarm proprietors employment 2/	7,069	7,286	7,556
Farm employment	1,748	1,781	1,747
Nonfarm employment	39,035	39,222	39,549
Private employment	32,533	32,745	33,011
Forestry, fishing, related activities, and other 3/	(D)	(D)	(D)
Mining	(D)	(D)	(D)
Utilities	47	69	65
Construction	1,800	1,775	1,845
Manufacturing	4,357	4,155	3,908
Wholesale trade	995	1,049	1,077
Retail trade	5,326	5,311	5,406
Transportation and warehousing	1,796	1,852	1,887
Information	1,240	1,197	1,208
Finance and insurance	1,237	1,241	1,235
Real estate and rental and leasing	721	751	796
Professional and technical services	1,013	1,032	1,054
Management of companies and enterprises	319	358	317
Administrative and waste services	1,295	1,339	1,302
Educational services	201	202	214
Health care and social assistance	6,157	6,259	6,439
Arts, entertainment, and recreation	274	330	354
Accommodation and food services	2,146	2,153	2,257
Other services, except public administration	2,090	2,119	2,181
Government and government enterprises	6,502	6,477	6,538
Federal, civilian	741	733	851
Military	408	381	349
State and local	5,353	5,363	5,338
State government	1,286	1,279	1,265
Local government	4,067	4,084	4,073

1. The estimates of employment for 2001-2003 are based on the 2002 North American Industry Classification System (NAICS).
2. Excludes limited partners.

3. "Other" consists of the number of jobs held by U.S. residents employed by international organizations and foreign embassies and consulates in the United States.
 4. Broomfield County, CO, was created from parts of Adams, Boulder, Jefferson, and Weld counties effective November 15, 2001. Estimates for Broomfield county begin with 2002.

E The estimate shown here constitutes the major portion of the true estimate.
 (D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.
 (L) Less than 10 jobs, but the estimates for this item are included in the totals.
 (N) Data not available for this year.

Aroostook is one of 16 counties in Maine. It is not part of a Metropolitan Area. Its 2003 population of 73,260 ranked 6th in the state.

PER CAPITA PERSONAL INCOME

In 2003 Aroostook had a per capita personal income (PCPI) of \$24,742. This PCPI ranked 10th in the state and was 85 percent of the state average, \$29,164, and 79 percent of the national average, \$31,472. The 2003 PCPI reflected an increase of 4.2 percent from 2002. The 2002-2003 state change was 3.5 percent and the national change was 2.2 percent. In 1993 the PCPI of Aroostook was \$15,155 and ranked 14th in the state. The 1993-2003 average annual growth rate of PCPI was 5.0 percent. The average annual growth rate for the state was 4.6 percent and for the nation was 4.0 percent.

TOTAL PERSONAL INCOME

In 2003 Aroostook had a total personal income (TPI) of \$1,812,612. This TPI ranked 6th in the state and accounted for 4.7 percent of the state total. In 1993 the TPI of Aroostook was \$1,295,178 and ranked 6th in the state. The 2003 TPI reflected an increase of 4.4 percent from 2002. The 2002-2003 state change was 4.4 percent and the national change was 3.2 percent. The 1993-2003 average annual growth rate of TPI was 3.4 percent. The average annual growth rate for the state was 5.1 percent and for the nation was 5.1 percent.

COMPONENTS OF TOTAL PERSONAL INCOME

Total personal income includes net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts received by the residents of Aroostook. In 2003 net earnings accounted for 58.6 percent of TPI (compared with 64.2 in 1993); dividends, interest, and rent were 13.9 percent (compared with 12.5 in 1993); and personal current transfer receipts were 27.5 percent (compared with 23.4 in 1993). From 2002 to 2003 net earnings increased 3.8 percent; dividends, interest, and rent decreased 0.9 percent; and personal current transfer receipts increased 8.7 percent. From 1993 to 2003 net earnings increased on average 2.5 percent each year; dividends, interest, and rent increased on average 4.6 percent; and personal current transfer receipts increased on average 5.1 percent.

EARNINGS BY PLACE OF WORK

Earnings of persons employed in Aroostook increased from \$1,149,301 in 2002 to \$1,193,787 in 2003, an increase of 3.9 percent. The 2002-2003 state change was 4.6 percent and the national change was 4.1 percent. The average annual growth rate from the 1993 estimate of \$935,901 to the 2003 estimate was 2.5 percent. The average annual growth rate for the state was 4.8 percent and for the nation was 5.3 percent.

Note: All income estimates with the exception of PCPI are in thousands of dollars, not adjusted for inflation.

Total housing units	38,719	100
UNITS IN STRUCTURE		
1-unit, detached	27,038	69.8
1-unit, attached	403	1
2 units	1,611	4.2
3 or 4 units	2,393	6.2
5 to 9 units	1,540	4
10 to 19 units	635	1.6
20 or more units	887	2.3
Mobile home	4,120	10.6
Boat, RV, van, etc.	92	0.2
YEAR STRUCTURE BUILT		
1999 to March 2000	514	1.3
1995 to 1998	1,818	4.7
1990 to 1994	1,934	5
1980 to 1989	4,400	11.4
1970 to 1979	6,454	16.7
1960 to 1969	3,930	10.2
1940 to 1959	8,075	20.9
1939 or earlier	11,594	29.9
ROOMS		
1 room	713	1.8
2 rooms	1,616	4.2
3 rooms	4,255	11
4 rooms	7,284	18.8
5 rooms	9,256	23.9
6 rooms	6,723	17.4
7 rooms	4,218	10.9
8 rooms	2,435	6.3
9 or more rooms	2,219	5.7
Median (rooms)	5	(X)
Occupied Housing Units	30,356	100
YEAR HOUSEHOLDER MOVED INTO UNIT		
1999 to March 2000	4,080	13.4
1995 to 1998	6,704	22.1
1990 to 1994	4,534	14.9
1980 to 1989	5,753	19
1970 to 1979	4,418	14.6
1969 or earlier	4,867	16
VEHICLES AVAILABLE		
None	2,589	8.5
1	10,833	35.7
2	12,378	40.8
3 or more	4,556	15
HOUSE HEATING FUEL		
Utility gas	49	0.2
Bottled, tank, or LP gas	218	0.7
Electricity	1,387	4.6

Fuel oil, kerosene, etc.	25,636	84.5
Coal or coke	65	0.2
Wood	2,788	9.2
Solar energy	4	0
Other fuel	116	0.4
No fuel used	93	0.3
SELECTED CHARACTERISTICS		
Lacking complete plumbing facilities	329	1.1
Lacking complete kitchen facilities	166	0.5
No telephone service	423	1.4
OCCUPANTS PER ROOM		
Occupied housing units	30,356	100
1.00 or less	29,999	98.8
1.01 to 1.50	279	0.9
1.51 or more	78	0.3
Specified owner-occupied units	15,053	100
VALUE		
Less than \$50,000	5,227	34.7
\$50,000 to \$99,999	8,169	54.3
\$100,000 to \$149,999	1,216	8.1
\$150,000 to \$199,999	312	2.1
\$200,000 to \$299,999	109	0.7
\$300,000 to \$499,999	15	0.1
\$500,000 to \$999,999	0	0
\$1,000,000 or more	5	0
Median (dollars)	60,200	(X)
MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS		
With a mortgage	8,263	54.9
Less than \$300	183	1.2
\$300 to \$499	1,809	12
\$500 to \$699	2,658	17.7
\$700 to \$999	2,510	16.7
\$1,000 to \$1,499	857	5.7
\$1,500 to \$1,999	171	1.1
\$2,000 or more	75	0.5
Median (dollars)	661	(X)
Not mortgaged	6,790	45.1
Median (dollars)	248	(X)
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999		
Less than 15 percent	6,670	44.3
15 to 19 percent	2,871	19.1
20 to 24 percent	1,822	12.1
25 to 29 percent	1,026	6.8
30 to 34 percent	748	5
35 percent or more	1,847	12.3
Not computed	69	0.5

DCN: 11555		
Specified renter-occupied units	7,955	100
GROSS RENT		
Less than \$200	1,435	18
\$200 to \$299	1,126	14.2
\$300 to \$499	3,253	40.9
\$500 to \$749	1,058	13.3
\$750 to \$999	207	2.6
\$1,000 to \$1,499	18	0.2
\$1,500 or more	1	0
No cash rent	857	10.8
Median (dollars)	364	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999		
Less than 15 percent	1,475	18.5
15 to 19 percent	998	12.5
20 to 24 percent	960	12.1
25 to 29 percent	1,117	14
30 to 34 percent	589	7.4
35 percent or more	1,831	23
Not computed	985	12.4

(X) Not applicable.

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrices H1, H7, H20, H23, H24, H30, H34, H38, H40, H43, H44, H48, H51,

EMPLOYMENT STATUS		
Population 16 years and over	59,545	100
In labor force	34,867	58.6
Civilian labor force	34,718	58.3
Employed	32,461	54.5
Unemployed	2,257	3.8
Percent of civilian labor force	6.5	(X)
Armed Forces	149	0.3
Not in labor force	24,678	41.4
Females 16 years and over	30,782	100
In labor force	16,055	52.2
Civilian labor force	16,033	52.1
Employed	15,267	49.6
Own children under 6 years	4,391	100
All parents in family in labor force	2,766	63
COMMUTING TO WORK		
Workers 16 years and over	31,957	100
Car, truck, or van -- drove alone	25,460	79.7
Car, truck, or van -- carpooled	3,643	11.4
Public transportation (including taxicab)	159	0.5
Walked	1,263	4
Other means	277	0.9
Worked at home	1,155	3.6
Mean travel time to work (minutes)	18.3	(X)
Employed civilian population 16 years and over	32,461	100
OCCUPATION		
Management, professional, and related occupations	8,896	27.4
Service occupations	5,599	17.2
Sales and office occupations	7,717	23.8
Farming, fishing, and forestry occupations	1,128	3.5
Construction, extraction, and maintenance occupations	3,236	10
Production, transportation, and material moving occupations	5,885	18.1
INDUSTRY		
Agriculture, forestry, fishing and hunting, and mining	2,023	6.2
Construction	1,612	5
Manufacturing	4,074	12.6
Wholesale trade	867	2.7
Retail trade	4,416	13.6
Transportation and warehousing, and utilities	2,075	6.4
Information	525	1.6
Finance, insurance, real estate, and rental and leasing	1,021	3.1
Professional, scientific, management, administrative, and waste management services	2,085	6.4
Educational, health and social services	8,745	26.9
Arts, entertainment, recreation, accommodation and food services	1,699	5.2
Other services (except public administration)	1,709	5.3
Public administration	1,610	5

CLASS OF WORKER		
Private wage and salary workers	23,897	73.6
Government workers	5,756	17.7
Self-employed workers in own not incorporated business	2,738	8.4
Unpaid family workers	70	0.2
INCOME IN 1999		
Households	30,317	100
Less than \$10,000	4,751	15.7
\$10,000 to \$14,999	3,051	10.1
\$15,000 to \$24,999	5,428	17.9
\$25,000 to \$34,999	4,677	15.4
\$35,000 to \$49,999	5,391	17.8
\$50,000 to \$74,999	4,645	15.3
\$75,000 to \$99,999	1,442	4.8
\$100,000 to \$149,999	606	2
\$150,000 to \$199,999	163	0.5
\$200,000 or more	163	0.5
Median household income (dollars)	28,837	(X)
With earnings	21,949	72.4
Mean earnings (dollars)	37,538	(X)
With Social Security income	10,593	34.9
Mean Social Security income (dollars)	9,600	(X)
With Supplemental Security Income	2,173	7.2
Mean Supplemental Security Income (dollars)	5,676	(X)
With public assistance income	2,085	6.9
Mean public assistance income (dollars)	1,812	(X)
With retirement income	4,964	16.4
Mean retirement income (dollars)	13,891	(X)
Families	20,508	100
Less than \$10,000	1,362	6.6
\$10,000 to \$14,999	1,546	7.5
\$15,000 to \$24,999	3,424	16.7
\$25,000 to \$34,999	3,546	17.3
\$35,000 to \$49,999	4,467	21.8
\$50,000 to \$74,999	4,017	19.6
\$75,000 to \$99,999	1,325	6.5
\$100,000 to \$149,999	544	2.7
\$150,000 to \$199,999	147	0.7
\$200,000 or more	130	0.6
Median family income (dollars)	36,044	(X)
Per capita income (dollars)	15,033	(X)
Median earnings (dollars):		
Male full-time, year-round workers	29,747	(X)
Female full-time, year-round workers	20,300	(X)
POVERTY STATUS IN 1999 (below poverty level)		
Families	2,015	(X)
Percent below poverty level	(X)	9.8

With related children under 18 years	1,343	(X)
Percent below poverty level	(X)	14.9
With related children under 5 years	599	(X)
Percent below poverty level	(X)	19.7
Families with female householder, no husband present	829	(X)
Percent below poverty level	(X)	34
With related children under 18 years	725	(X)
Percent below poverty level	(X)	43.2
With related children under 5 years	347	(X)
Percent below poverty level	(X)	59.2
Individuals	10,313	(X)
Percent below poverty level	(X)	14.3
18 years and over	7,541	(X)
Percent below poverty level	(X)	13.5
65 years and over	1,891	(X)
Percent below poverty level	(X)	16
Related children under 18 years	2,603	(X)
Percent below poverty level	(X)	16.2
Related children 5 to 17 years	1,831	(X)
Percent below poverty level	(X)	14.7
Unrelated individuals 15 years and over	4,280	(X)
Percent below poverty level	(X)	32.8

Population, 2003 estimate	73,428	1,305,728
Population, percent change, April 1, 2000 to July 1, 2003	-0.7%	2.4%
Population, 2000	73,938	1,274,923
Population, percent change, 1990 to 2000	-15.0%	3.8%
Persons under 5 years old, percent, 2000	5.0%	5.5%
Persons under 18 years old, percent, 2000	22.6%	23.6%
Persons 65 years old and over, percent, 2000	17.0%	14.4%
Female persons, percent, 2000	51.2%	51.3%
White persons, percent, 2000 (a)	96.8%	96.9%
Black or African American persons, percent, 2000 (a)	0.4%	0.5%
American Indian and Alaska Native persons, percent, 2000 (a)	1.4%	0.6%
Asian persons, percent, 2000 (a)	0.5%	0.7%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	Z	Z
Persons reporting some other race, percent, 2000 (a)	0.2%	0.2%
Persons reporting two or more races, percent, 2000	0.8%	1.0%
White persons, not of Hispanic/Latino origin, percent, 2000	96.4%	96.5%
Persons of Hispanic or Latino origin, percent, 2000 (b)	0.6%	0.7%
Living in same house in 1995 and 2000', pct age 5+, 2000	67.8%	59.6%
Foreign born persons, percent, 2000	5.8%	2.9%
Language other than English spoken at home, pct age 5+, 2000	24.1%	7.8%
High school graduates, percent of persons age 25+, 2000	76.9%	85.4%
Bachelor's degree or higher, pct of persons age 25+, 2000	14.6%	22.9%
Persons with a disability, age 5+, 2000	17,438	237,910
Mean travel time to work (minutes), workers age 16+, 2000	18.3	22.7
Housing units, 2002	38,980	664,613
Homeownership rate, 2000	73.0%	71.6%
Housing units in multi-unit structures, percent, 2000	18.2%	20.3%
Median value of owner-occupied housing units, 2000	\$60,200	\$98,700
Households, 2000	30,356	518,200
Persons per household, 2000	2.36	2.39
Median household income, 1999	\$28,837	\$37,240
Per capita money income, 1999	\$15,033	\$19,533
Persons below poverty, percent, 1999	14.3%	10.9%
Business QuickFacts	Aroostook County	Maine
Private nonfarm establishments with paid employees, 2001	2,286	39,650
Private nonfarm employment, 2001	25,517	500,030
Private nonfarm employment, percent change 2000-2001	1.9%	1.7%

Nonemployer establishments, 2000	4,295	98,499
Manufacturers shipments, 1997 (\$1000)	895,018	14,097,609
Retail sales, 1997 (\$1000)	591,905	12,737,087
Retail sales per capita, 1997	\$7,604	\$10,229
Minority-owned firms, percent of total, 1997	2.1%	2.2%
Women-owned firms, percent of total, 1997	24.6%	24.0%
Housing units authorized by building permits, 2002	140	7,207
Federal funds and grants, 2002 (\$1000)	550,195	9,205,104
Geography QuickFacts	Aroostook County	Maine
Land area, 2000 (square miles)	6,672	30,862
Persons per square mile, 2000	11.1	41.3
Metropolitan Area	None	
FIPS Code	3	23
(a) Includes persons reporting only one race.		
(b) Hispanics may be of any race, so also are included in applicable race categories.		
FN: Footnote on this item for this area in place of data		
NA: Not available		
D: Suppressed to avoid disclosure of confidential information		
X: Not applicable		
S: Suppressed; does not meet publication standards		
Z: Value greater than zero but less than half unit of measure shown		
F: Fewer than 100 firms		
Source: US Census Bureau State & County QuickFacts		

SCHOOL ENROLLMENT		
Population 3 years and over enrolled in school	17,892	100
Nursery school, preschool	937	5.2
Kindergarten	915	5.1
Elementary school (grades 1-8)	7,869	44
High school (grades 9-12)	4,630	25.9
College or graduate school	3,541	19.8
EDUCATIONAL ATTAINMENT		
Population 25 years and over	51,439	100
Less than 9th grade	5,802	11.3
9th to 12th grade, no diploma	6,066	11.8
High school graduate (includes equivalency)	19,799	38.5
Some college, no degree	8,893	17.3
Associate degree	3,345	6.5
Bachelor's degree	5,544	10.8
Graduate or professional degree	1,990	3.9
Percent high school graduate or higher	76.9	(X)
Percent bachelor's degree or higher	14.6	(X)
MARITAL STATUS		
Population 15 years and over	60,629	100
Never married	13,468	22.2
Now married, except separated	35,672	58.8
Separated	752	1.2
Widowed	5,198	8.6
Female	4,209	6.9
Divorced	5,539	9.1
Female	2,887	4.8
GRANDPARENTS AS CAREGIVERS		
Grandparent living in household with one or more own grandchi	689	100
Grandparent responsible for grandchildren	259	37.6
VETERAN STATUS		
Civilian population 18 years and over	57,079	100
Civilian veterans	9,034	15.8
DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION		
Population 5 to 20 years	15,893	100
With a disability	1,432	9
Population 21 to 64 years	41,434	100
With a disability	10,873	26.2
Percent employed	48	(X)
No disability	30,561	73.8
Percent employed	76.9	(X)

Population 65 years and over	11,813	100
With a disability	5,133	43.5
RESIDENCE IN 1995		
Population 5 years and over	70,183	100
Same house in 1995	47,579	67.8
Different house in the U.S. in 1995	21,859	31.1
Same county	15,540	22.1
Different county	6,319	9
Same state	2,357	3.4
Different state	3,962	5.6
Elsewhere in 1995	745	1.1
NATIVITY AND PLACE OF BIRTH		
Total population	73,938	100
Native	69,634	94.2
Born in United States	67,834	91.7
State of residence	57,005	77.1
Different state	10,829	14.6
Born outside United States	1,800	2.4
Foreign born	4,304	5.8
Entered 1990 to March 2000	960	1.3
Naturalized citizen	2,558	3.5
Not a citizen	1,746	2.4
REGION OF BIRTH OF FOREIGN BORN		
Total (excluding born at sea)	4,304	100
Europe	265	6.2
Asia	291	6.8
Africa	20	0.5
Oceania	17	0.4
Latin America	79	1.8
Northern America	3,632	84.4
LANGUAGE SPOKEN AT HOME		
Population 5 years and over	70,183	100
English only	53,303	75.9
Language other than English	16,880	24.1
Speak English less than 'very well	4,389	6.3
Spanish	403	0.6
Speak English less than "very well"	65	0.1
Other Indo-European languages	16,094	22.9
Speak English less than "very well"	4,138	5.9
Asian and Pacific Island languages	272	0.4
Speak English less than "very well"	154	0.2
ANCESTRY (single or multiple)		

Total population	73,938	100
<i>Total ancestries reported</i>	75,706	102.4
Arab	177	0.2
Czech ¹	125	0.2
Danish	230	0.3
Dutch	687	0.9
English	11,761	15.9
French (except Basque) ¹	16,207	21.9
French Canadian ¹	9,478	12.8
German	2,760	3.7
Greek	35	0
Hungarian	106	0.1
Irish ¹	9,557	12.9
Italian	1,260	1.7
Lithuanian	64	0.1
Norwegian	281	0.4
Polish	600	0.8
Portuguese	125	0.2
Russian	140	0.2
Scotch-Irish	1,891	2.6
Scottish	2,242	3
Slovak	5	0
Subsaharan African	28	0
Swedish	1,552	2.1
Swiss	24	0
Ukrainian	23	0
United States or American	9,595	13
Welsh	223	0.3
West Indian (excluding Hispanic groups)	55	0.1
Other ancestries	6,475	8.8

(X) Not applicable.

¹ The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes C: Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrices P18, P19, P21, P22, P24, P36, P37, P:

Limestone, ME

Larry Conrad

35-40 mins

1:45-2 PM
Call = 207-551-2172
HM = 207-896-7906

10:30 -

Exec Dir
of Assoc. ^{Joint} _{Partners} ^{Progress}

President, CEG -
Lynn Doucette
Gov. -
Carl Flora
Walt Elish
Grow DFAs
major
staffer

(cont) come too - to
Lynn Applied Tech
Center

+ Grow DFAs
Center

5 mins

207
592-
3517

Corrie
Pelletier 10:30- 11:45
1600 schedule
10:30 - 12 noon

Lunch

Expansion space

10:30 - 12 noon
- mission Brief-
- Tour

12:15
~~1:45~~
1:30 -
1:30 PM
1:45

Carl Flora -
Call 207-227-8124
Focus
Rodriguez
Stark

1:45 - 2:30 - pm
To Airport

HM
207-
762-
5691

Bryan
Dowd
News -
Low
TV channel
2nd

Gov -
Gov -
+ Tech Michael
P Allen

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BASE SUMMARY SHEET

Defense Finance and Accounting Service (DFAS) – Limestone, ME

INSTALLATION MISSION

- DFAS provides professional, responsive finance and accounting services to DoD and other federal agencies. It delivers mission essential payroll, contract and vendor pay, and accounting services to support America's national security. DFAS is a Working Capital Fund agency, which means rather than receiving direct appropriations, DFAS earns operating revenue for products and services provided to its customers.

DOD RECOMMENDATION

- Close DFAS sites at Rock Island, IL; Pensacola Saufley Field, FL; Norfolk Naval Station, VA; Lawton, OK; Pensacola Naval Air Station, FL, Omaha, NE; Dayton, OH; St. Louis, MO; San Antonio, TX; San Diego, CA; Pacific Ford Island, HI; Patuxent River, MD; **Limestone, ME**; Charleston, SC; Orlando, FL; Rome, NY; Lexington, KY; Kansas City, MO; Seaside, CA; San Bernardino, CA; and Oakland, CA. Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.
- Realign DFAS Arlington, VA by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain a minimum essential DFAS liaison staff to support the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Military Service Chief Financial Officers, and Congressional requirements.
- Realign DFAS Cleveland, OH, by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain an enclave for the Military Retired and Annuitant Pay Services contract function and government oversight.
- Realign DFAS Columbus, OH, by relocating up to 55 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Denver, CO, or DFAS Indianapolis, IN, and up to 30 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.
- Realign DFAS Denver, CO, by relocating up to 25 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH, or DFAS Indianapolis, IN, and up to 35 percent of the Military Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.
- Realign DFAS Indianapolis, IN, by relocating up to 10 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH or DFAS Denver, CO, and up to 20 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Columbus, OH, for strategic redundancy.

DOD JUSTIFICATION

- This action accomplishes a major facilities reduction and business line mission realignment, transforming the current DFAS organization into an optimum facilities configuration, which includes strategic redundancy to minimize risks associated with man-made or natural disasters/challenges. All three of the gaining sites meet DoD Antiterrorism/Force Protection (AT/FP) Standards. The current number of business line operating locations (26) inhibits the ability of DFAS to reduce unnecessary redundancy and leverage benefits from economies of scale and synergistic efficiencies. Overall excess facility capacity includes approximately 43 percent or 1,776,000 Gross Square Feet (GSF) in administrative space and 69 percent or 526,000 GSF in warehouse space with many locations lacking adequate threat protection as defined in DoD AT/FP Standards. Finally, the three locations have potential to evolve into separate Business Line Centers of Excellence and further enhance “unit cost” reductions beyond the BRAC facilities/personnel savings aspect.

The three gaining locations were identified through a process that used Capacity Analysis, Military Value, Optimization Modeling, and knowledge of the DFAS organization, and business line mission functions. The Military Value analysis, of 26 business operating locations, ranked the Buckley AFB Annex, CO, the Defense Supply Center-Columbus, OH, and the MG Emmett J. Bean Federal Center, Indianapolis, IN, as 3, 7, and 9 respectively. The Optimization analysis not only included the factors of available capacity and expansion capability, but also included business line process and business operational considerations in identifying the three-location combination as providing the optimal facilities approach to hosting DFAS business line missions/functions.

Subject matter knowledge of DFAS’s three business line missions and its operational components, along with business process review considerations and scenario basing strategy, was used to focus reduction of the 26 locations and identification of the three gaining locations. The scenario basing strategy included reducing the number of locations to the maximum extent possible, while balancing the requirements for an environment meeting DoD Antiterrorist and Force Protection standards, strategic business line redundancy, area workforce availability, and to include an anchor entity for each business line and thus retain necessary organizational integrity to support DoD customer needs while the DFAS organization relocation is executed.

COST CONSIDERATIONS DEVELOPED BY DOD

• One-Time Costs:	\$282.1 M
• Net Savings (Cost) during Implementation:	\$158.1 M
• Annual Recurring Savings:	\$120.5 M
• Expected Payback:	0 years
• Net Present Value over 20 Years:	\$1,313.8 M

TOTAL MANPOWER IMPLICATIONS OF THIS RECOMMENDATION (EXCLUDES CONTRACTORS)

The total number of jobs affected by this action is **6239** civilian and **205** military. Due to force future force reduction projections and BRAC savings gained from combining locations it is anticipated that there will be a reduction of **1931** positions. This leaves a net of **4513** positions that will be moving to one of the three designated DFAS locations.

MANPOWER IMPLICATIONS FOR DFAS LIMESTONE - Closure

	Out	
	<u>Military</u>	<u>Civilian</u>
Reductions	0	241

The following table indicates the number of spaces DFAS Limestone will be losing and the number of spaces to the gaining locations. At this point in time the gaining location numbers are just estimated projections as DFAS has not developed its implementation plan. (Note: The total numbers listed in the table differs from the number listed above because of consolidation savings.)

LOSING LOCATION	GAINING LOCATION	MILITARY	CIVILIAN	TOTAL
DFAS Limestone ME	DFAS Columbus OH	0	148	148
DFAS Limestone ME	DFAS Denver CO	0	2	2
DFAS Limestone ME	DFAS Indianapolis IN	0	84	84

ENVIRONMENTAL CONSIDERATIONS

- No major issues. An air conformity analysis may be needed at Buckley AF Base Annex. This recommendation will require spending approximately \$0.01M for environmental compliance activities.

REPRESENTATION

Governor:	Gov. John Baldacci
Senators:	Sen. Olympia Snowe Sen. Susan Collins
Representative:	Rep. Michael Michaud (ME-2 nd)

ECONOMIC IMPACT

Aroostook County, ME*

- Potential Employment Loss: 390 jobs
- (241 direct and 149 indirect)
- MSA Job Base: 41,134 jobs
- Percentage for this action -0.9%
- Percentage for actions in MSA -0.9%

*Recent economic data shows the unemployment rate in Aroostook County continuing to increase over the past five years as follows:

2000	2001	2002	2003	2004
4.3%	4.4%	4.9%	5.8%	6.1%

MILITARY ISSUES

- DFAS Limestone ranked 17th out of the 26 DFAS sites evaluated for military value with a 54.84% score.

COMMUNITY CONCERNS/ISSUES

- The community is concerned regarding the disproportionate economic impact this decision will have on Limestone.

ITEMS OF SPECIAL EMPHASIS

- None at this time.

Marilyn Wasleski, Interagency, June 18, 2005

Economic Area Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct	Indirect Changes	Total Job Changes	Economic Area Employment	Changes as Percent of Employment
		Mil	Civ	Mil	Civ	Mil	Civ						
Aroostook County, ME													
Defense Finance and Accounting Service, Limestone	Close	0	(241)	0	0	0	(241)	0	(241)	(149)	(390)	41,134	-0.9%
	Total	0	(241)	0	0	0	(241)	0	(241)	(149)	(390)	41,134	-0.9%
Asheville, NC Metropolitan Statistical Area													
Navy Reserve Center Asheville	Close	(7)	0	0	0	(7)	0	0	(7)	(2)	(9)	217,211	0.0%
	Total	(7)	0	0	0	(7)	0	0	(7)	(2)	(9)	217,211	0.0%
Athens-Clarke County, GA Metropolitan Statistical Area													
Naval Supply Corps School Athens	Close	(393)	(108)	4	0	(389)	(108)	(16)	(513)	(317)	(830)	96,829	-0.9%
	Total	(393)	(108)	4	0	(389)	(108)	(16)	(513)	(317)	(830)	96,829	-0.9%
Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area													
Fort Gillem	Close	(517)	(570)	6	0	(511)	(570)	0	(1,081)	(734)	(1,815)	2,777,548	-0.1%
Fort McPherson	Close	(2,260)	(1,881)	0	0	(2,260)	(1,881)	0	(4,141)	(2,705)	(6,846)	2,777,548	-0.2%
Naval Air Station Atlanta	Close	(1,274)	(156)	0	0	(1,274)	(156)	(68)	(1,498)	(807)	(2,305)	2,777,548	-0.1%
Peachtree Leases Atlanta	Close	(65)	(97)	0	0	(65)	(97)	0	(162)	(114)	(276)	2,777,548	0.0%
Dobbins Air Reserve Base	Gain	0	0	73	45	73	45	0	118	74	192	2,777,548	0.0%
	Total	(4,116)	(2,704)	79	45	(4,037)	(2,659)	(68)	(6,764)	(4,286)	(11,050)	2,777,548	-0.4%
Atlantic City, NJ Metropolitan Statistical Area													
Atlantic City International Airport Air Guard Station	Gain	(3)	(53)	62	263	59	210	0	269	207	476	175,797	0.3%
	Total	(3)	(53)	62	263	59	210	0	269	207	476	175,797	0.3%
Bakersfield, CA Metropolitan Statistical Area													
Edwards Air Force Base	Gain	(14)	0	23	42	9	42	0	51	62	113	325,440	0.0%
Naval Air Weapons Station China Lake	Gain	(44)	(14)	198	2,329	154	2,315	0	2,469	3,129	5,598	325,440	1.7%
	Total	(58)	(14)	221	2,371	163	2,357	0	2,520	3,191	5,711	325,440	1.8%

This list does not include locations where no changes in military or civilian jobs are affected.
 Military figures include student load changes.

Director Cineslone

DCN: 11555

→ 1100 people in the paper
of 9 days

From Buffalo

- 27th - 28th

Next Wed -

Morning of the 28th

-
- County leaders -
can make trip -
 - open to others
 - Pres can speak

Limestone Defense Finance and Accounting Service - Closure

DoD Recommendation

Close Defense Finance and Accounting Service (DFAS) site at Limestone, ME. Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.

DoD Justification

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Cost Considerations Developed by DoD

- | | |
|---|-------------|
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Limestone Defense Finance and Accounting Service - Closure

Manpower Implications for DFAS Limestone - Closure

The table below shows the number of positions to be reduced at Limestone DFAS at a lower number than is currently at this site—241 positions versus 354 (excluding 10 contractors). This is because when conducting their analysis the OSD BRAC office used DFAS’s projected numbers through 2011. Due to program reductions regardless of BRAC, DFAS has planned to reduce their overall workforce. This is due to increased efficiencies from information technology and common system improvements.

Table 1: Limestone Manpower

	Out	
	<u>Military</u>	<u>Civilian</u>
Current on Board (April 2005)	1	353
Reductions	0	241

(112)

*The Commission rule is to visit those sites that will have a loss of 300 or more positions.

ECONOMIC IMPACT

Limestone, ME

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- MSA Job Base: 41,134 jobs
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