

The Honorable Samuel K. Skinner
Commissioner

**BASE CLOSURE AND
REALIGNMENT COMMISSION**



HEARING

MAY 16, 2005

**Presentation of Department of Defense
BRAC Recommendations and Methodology**



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**Statement
of
Anthony J. Principi**

**Chairman
2005 Base Closure and Realignment
Commission**

Hearing of the Commission

**1:30 PM
May 16, 2005**

**216 Hart Senate Office Building
Washington D.C.**

Good Afternoon,

I'm Anthony J. Principi, Chairman of the 2005 Defense Base Realignment and Closure Commission, or BRAC. I'm pleased to welcome Donald Rumsfeld, the Secretary of Defense, and General Richard B. Myers, Chairman of the Joint Chiefs of Staff to this afternoon's hearing.

There can be few burdens heavier than the responsibility of waking up each morning knowing that you are answerable to the American people, and to history, for the defense of America's 229 year experiment in democracy.

Secretary Rumsfeld and General Myers, I commend you both for your decades-long careers of public service and for the vigor and energy you demonstrate daily in the exercise of your responsibilities.

The Congress entrusts our Armed Forces with vast, but not unlimited, resources. Your responsibilities to our nation, and to the men and women who bring the Army, Navy, Air Force and Marine Corps to life, demand that you make the best possible use of the limited resources available to you.

As I observed in the Commission's first hearing: Every dollar consumed in redundant, unnecessary, obsolete, inappropriately designed or located infrastructure is a dollar not available to provide the training that might save a Marine's life, purchase the munitions to win a soldier's firefight, or fund advances that could ensure continued dominance of the air or the seas.

The Congress recognized that fact when it authorized you to prepare a proposal to realign or close domestic bases. However, it is important to remember that the Congress did not give you a blank check. The Congress insists on an independent, fair, and equitable assessment and evaluation of both your proposal and the data and methodology used to develop that proposal. This Commission will provide that assessment -- openly and transparently, applying the criteria set forth in the statute.

If your proposals are accepted, their implementation will not be exercises in sterile cost-accounting. If accepted by the President and the Congress, what you propose will have profound effects on communities and on the people who bring them to life. They will also shape our military capabilities for decades to come.

That is why the Congress and the President look to us for an unbiased assessment and clear-eyed reality check.

The Congress, in establishing this Commission and in setting forth the standards against which we are charged to measure your proposal ensured these decisions would not be made in a vacuum and that your proposals, and their rationale and supporting data, would be subject to independent, objective analysis and assessment.

The members of this Commission accepted the challenge, and necessity, of providing that assessment.

We committed to the Congress, to the President, and to the American people, that our deliberations and decisions would be based on the criteria set forth in statute.

We will examine the proposed plan and measure it against the criteria for military value set forth in law, especially the need for surge manning and for homeland security.

We will assess your proposal's ability to support military force structure, including the 70,000 military personnel anticipated to return to our shores.

We also committed that our deliberations and decisions would be devoid of politics and that we would address our own conflicts of interest should any arise.

In addition, we will be open, independent, fair and equitable, and, we will ensure the people and communities affected by your proposals have, through our site visits and public hearings, a chance to provide us with direct input on the substance of your proposal and the methodology and assumptions behind it.

We will seek a consensus in our decisions by integrating the views of all members of the Commission.

And, perhaps most challenging of all, we will adhere to the rigid timeline for completing our deliberations and provide our report to the President by September 8, just over four months from now.

Mr. Secretary, and General Myers, in turn we look to you, your staffs, the leadership of the Department of Defense and of the military services, to provide us with complete and accurate information and expedited responses to our requests for additional data.

This hearing, your statements, and your responses to our questions, will be the first steps in that process..... but surely not the last.

I look forward to our discussion this morning and to a continuing cooperative relationship as the Commission embarks on the very arduous independent assessment that we will complete before the summer is ended.

Following the testimony of Secretary Rumsfeld and General Myers, the Commission will hear witnesses from the Office of the Secretary of Defense describe the methodology used to arrive at the decisions on realignment or closure embodied in the Secretary's proposal.

I now request our witnesses to stand for the administration of the oath required by the Base Closure and Realignment statute. The oath will be administered by Mr. Dan Cowhig, the Commission's Designated Federal Officer for administering oaths and opening and closing our hearings.

Mr. Cowhig.



BASE CLOSURE AND REALIGNMENT COMMISSION

**Presentation of Department of Defense BRAC
Recommendations and Methodology
OPEN SESSION**

Monday, May 16, 2005
1:30 p.m.
216 Hart Senate Office Building

WITNESS LIST

Panel I

The Honorable Donald H. Rumsfeld
Secretary of Defense

General Richard B. Myers, USAF
Chairman, Joint Chiefs of Staff

Panel II

The Honorable Michael W. Wynne
Under Secretary of Defense for Acquisition,
Technology and Logistics

The Honorable Philip W. Grone
Deputy Under Secretary of Defense for Installations
and Environment

SWEARING IN OATH

Do you swear or affirm that the testimony you are about to give, and any other evidence that you may provide, are accurate and complete to the best of your knowledge and belief, so help you God?



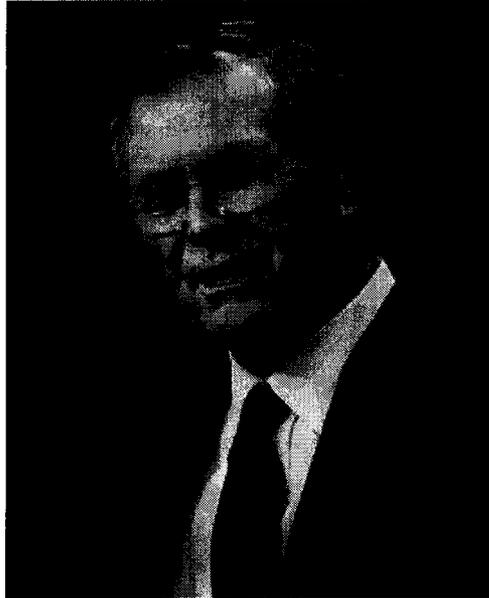
DONALD H. RUMSFELD

Secretary of Defense



Donald H. Rumsfeld was sworn in as the 21st Secretary of Defense on January 20, 2001. Before assuming his present post, the former Navy pilot had also served as the 13th Secretary of Defense, White House Chief of Staff, U.S. Ambassador to NATO, U.S. Congressman and chief executive officer of two Fortune 500 companies.

Secretary Rumsfeld is responsible for directing the actions of the Defense Department in response to the terrorist attacks on September 11, 2001. The war is being waged against a backdrop of major change within the Department of Defense. The department has developed a new defense strategy and replaced the old model for sizing forces with a newer approach more relevant to the 21st century. Secretary Rumsfeld proposed and the President approved a significant reorganization of the worldwide command structure, known as the Unified Command Plan, that resulted in the establishment of the U.S. Northern Command and the U.S. Strategic Command, the latter charged with the responsibilities formerly held by the Strategic and Space Commands which were disestablished.



The Department also has refocused its space capabilities and fashioned a new concept of strategic deterrence that increases security while reducing strategic nuclear weapons. To help strengthen the deterrent, the missile defense research and testing program has been reorganized and revitalized, free of the restraints of the ABM treaty.

Mr. Rumsfeld attended Princeton University on academic and NROTC scholarships (A.B., 1954) and served in the U.S. Navy (1954-57) as an aviator and flight instructor. In 1957, he transferred to the Ready Reserve and continued his Naval service in flying and administrative assignments as a drilling reservist until 1975. He transferred to the Standby Reserve when he became Secretary of Defense in 1975 and to the Retired Reserve with the rank of Captain in 1989.

In 1957, he came to Washington, DC to serve as Administrative Assistant to a Congressman. After a stint with an investment banking firm, he was elected to the U.S. House of Representatives from Illinois in 1962, at the age of 30, and was re-elected in 1964, 1966, and 1968.

Mr. Rumsfeld resigned from Congress in 1969 during his fourth term to join the President's Cabinet. From 1969 to 1970, he served as Director of the Office of Economic Opportunity and Assistant to the President. From 1971 to 1972, he was Counsellor to the President and

DCN: 11648

Director of the Economic Stabilization Program. In 1973, he left Washington, DC, to serve as U.S. Ambassador to the North Atlantic Treaty Organization (NATO) in Brussels, Belgium (1973-1974).

In August 1974, he was called back to Washington, DC, to serve as Chairman of the transition to the Presidency of Gerald R. Ford. He then became Chief of Staff of the White House and a member of the President's Cabinet (1974-1975). He served as the 13th U.S. Secretary of Defense, the youngest in the country's history (1975-1977).

From 1977 to 1985 he served as Chief Executive Officer, President, and then Chairman of G.D. Searle & Co., a worldwide pharmaceutical company. The successful turnaround there earned him awards as the Outstanding Chief Executive Officer in the Pharmaceutical Industry from the Wall Street Transcript (1980) and Financial World (1981). From 1985 to 1990 he was in private business.

Mr. Rumsfeld served as Chairman and Chief Executive Officer of General Instrument Corporation from 1990 to 1993. General Instrument Corporation was a leader in broadband transmission, distribution, and access control technologies. Until being sworn in as the 21st Secretary of Defense, Mr. Rumsfeld served as Chairman of the Board of Gilead Sciences, Inc., a pharmaceutical company.

Before returning for his second tour as Secretary of Defense, Mr. Rumsfeld chaired the bipartisan U.S. Ballistic Missile Threat Commission, in 1998, and the U.S. Commission to Assess National Security Space Management and Organization, in 2000.

During his business career, Mr. Rumsfeld continued his public service in a variety of Federal posts, including:

- Member of the President's General Advisory Committee on Arms Control (1982 - 1986);
- Special Presidential Envoy on the Law of the Sea Treaty (1982 - 1983);
- Senior Advisor to the President's Panel on Strategic Systems (1983 - 1984);
- Member of the U.S. Joint Advisory Commission on U.S./Japan Relations (1983 - 1984);
- Special Presidential Envoy to the Middle East (1983 - 1984);
- Member of the National Commission on Public Service (1987 - 1990);
- Member of the National Economic Commission (1988 - 1989);
- Member of the Board of Visitors of the National Defense University (1988 - 1992);
- Member of the Commission on U.S./Japan Relations (1989 - 1991); and
- Member of the U.S. Trade Deficit Review Commission (1999 - 2000).

While in the private sector, Mr. Rumsfeld's civic activities included service as a member of the National Academy of Public Administration and a member of the boards of trustees of the Gerald R. Ford Foundation, the Hoover Institution at Stanford University, and the National Park Foundation, and as Chairman of the Eisenhower Exchange Fellowships, Inc.

In 1977, Mr. Rumsfeld was awarded the nation's highest civilian award, the Presidential Medal of Freedom.



GENERAL RICHARD B. MYERS

Chairman of the Joint Chiefs of Staff



General Richard B. Myers became the fifteenth Chairman of the Joint Chiefs of Staff on Oct. 1, 2001. In this capacity, he serves as the principal military advisor to the President, the Secretary of Defense, and the National Security Council. Prior to becoming Chairman, he served as Vice Chairman of the Joint Chiefs of Staff for 19 months.

General Myers was born in Kansas City, Missouri. He is a 1965 graduate of Kansas State University, and holds a Masters Degree in Business Administration from Auburn University. The General has attended the Air Command and Staff College at Maxwell Air Force Base, Alabama; the U.S. Army War College at Carlisle Barracks, Pennsylvania; and the Program for Senior Executives in National and International Security at the John F. Kennedy School of Government, Harvard University.



General Myers entered the Air Force in 1965 through the Reserve Officer Training Corps program. His career includes operational command and leadership positions in a variety of Air Force and Joint assignments. General Myers is a command pilot with more than 4,100 flying hours in the T-33, C-37, C-21, F-4, F-15 and F-16, including 600 combat hours in the F-4.

As the Vice Chairman from March 2000 to September 2001, General Myers served as the Chairman of the Joint Requirements Oversight Council, Vice Chairman of the Defense Acquisition Board, and as a member of the National Security Council Deputies Committee and the Nuclear Weapons Council. In addition, he acted for the Chairman in all aspects of the Planning, Programming and Budgeting System including participation in the Defense Resources Board.

From August 1998 to February 2000, General Myers was Commander in Chief, North American Aerospace Defense Command and U.S. Space Command; Commander, Air Force Space Command; and Department of Defense manager, space transportation system contingency support at Peterson Air Force Base, Colorado. As commander, General Myers was responsible for defending America through space and intercontinental ballistic missile operations. Prior to assuming that position, he was Commander, Pacific Air Forces, Hickam Air Force Base, Hawaii, from July 1997 to July 1998. From July 1996 to July 1997 he served as Assistant to the Chairman of the Joint Chiefs of Staff, the Pentagon; and from November 1993 to June 1996 General Myers was Commander of U.S. Forces Japan and 5th Air Force at Yokota Air Base, Japan.

**Suggested Commissioner Questions
Base Closure and Realignment Commission**

Panel I

The Honorable Donald Rumsfeld, Secretary of Defense
and
General Richard Myers, Chairman of the Joint Chiefs of Staff
May 16, 2005

PROCESS

1. As I understand it, the Infrastructure Executive Council (IEC), chaired by the Deputy Secretary of Defense, has played an important role in overseeing the BRAC process. Please outline for us the role of the IEC in BRAC and how often it has met within the past year.
 - a. To what extent did you or Secretary Wolfowitz participate in the meetings of the Infrastructure Executive Council as it deliberated over specific BRAC recommendations?
 - b. How often were you otherwise briefed on progress of the BRAC process within the past year?
 - c. To what extent did you and/or the members of the IEC take an action either adding or deleting specific bases as candidates for closure or realignment within the past 2-3 weeks? To the extent you did act in this regard, what was the basis for those individual actions? To what extent did you or the IEC change any candidate closure actions to a realignment action instead? If so, what was the basis for those decisions?

2. The November 2002 BRAC kick-off memo outlined several goals for BRAC 2005 including reducing infrastructure and achieving savings, maximizing jointness among the military services, and furthering transformation efforts.
 - a. Could you briefly describe how well you think the proposed recommendations achieve your goals, particularly in the areas of maximizing jointness and furthering transformation?
 - b. What were the various metrics that you established to help you determine the extent to which the goals would be achieved?

3. The Department is proposing what appears to be over 200 recommendations but, within that number, the number of proposed closures and realignments are much, much larger—over 800 recommended closures and realignments--a number that dwarfs all other BRAC rounds combined. The overwhelming majority of them are minor closures and realignments. But, if we exclude the reserve BRAC actions and other below threshold actions from the Department's list of BRAC closures, it seems that some of the services are limited players in this BRAC round in terms of active bases.
 - a. Are you satisfied with the Army's and Air Force's consideration of active component bases for this BRAC round? What percent of the active component excess capacity is being reduced?
 - b. To what extent do you think an additional BRAC round will be needed in the future? If so, when?
 - c. Given that significant savings are realized through complete closures; and given that there are many realignments but relatively few closures, the anticipated BRAC savings seem somewhat high. Would you care to comment?

4. To further jointness, we understand that you established 7 joint cross service groups to analyze common support functions across the department.
 - a. How successful do you think the groups were in developing recommendations, and the recommendations being accepted by the military services?
 - b. Could you highlight the most significant recommendations that were proposed by these groups and what impact they might have on transformation and jointness?
5. A number of your recommendations seem to suggest some degree of jointness is to be achieved through implementation of the recommendations. To what extent will those recommendations achieve meaningful breakthroughs toward joint operations or simply reflect collocation of activities with business as usual? How much progress are we really making in terms of jointness in your recommendations?
6. More so than in prior BRAC rounds, this year's round appears to shift various organizations and bodies of work from one base to another without closing many active component bases. How does emptying space on a base that remains open create savings in overall costs of maintaining those facilities, particularly when we know that when there is vacant space on base, someone will usually fill it?
7. Your recommendations include a reduction in the number of Air National Guard bases and aircraft and the realignment of others.
 - a. What are your plans for the Guard's current end-strength?
 - b. What analysis was done to examine the most efficient unit size in the active and reserve component?
 - c. Given the fact that Guard units are often less expensive to operate than active units partly because they often operate at civilian or state-owned facilities, will the consolidation of Guard units achieve enough savings to justify the personnel turmoil associated with consolidating units?

- d. To what extent do the proposed BRAC realignments and closures retain sufficient flexibility in reserve and guard facility capacity to meet unanticipated future needs?
 - e. What plans does the Department have for utilizing the personnel that are going to be without a mission as a result of these recommendations?
8. As you know, there has been some resistance to BRAC given today's security environment and at a time when the U.S military is involved in two major operations.
- a. How can we ensure that BRAC decisions in CONUS do not negatively affect ongoing operations in Iraq and Afghanistan?
 - b. How will any potential risks be mitigated?
9. As we discussed at a previous hearing with a member of your staff (Principal Deputy of Defense for Policy, Ryan Henry), the ongoing QDR and BRAC are interrelated. We are concerned that there is a possibility that decisions made as a result of the ongoing QDR may contradict some of your BRAC recommendations to the Commission.
- a. Did you attempt to integrate QDR and BRAC analyses and decisions?
 - b. How can we ensure that decisions made in the ongoing QDR do not contradict?
 - c. Can you or your staff keep us routinely informed on QDR activities and whether any QDR recommendations may appear to contradict your BRAC recommendations?
10. In testimony before the Senate Armed Services Committee on 23 Sep 04, Secretary Rumsfeld, you noted that "U.S. forces in the next century must be agile...[and] readily deployable...[and] must be able to project our power over long distances, in days or weeks, rather than months."

- a. Has DOD's BRAC submission accounted for results of the recent department-wide Mobility Capabilities Study? If so, how?
 - b. If not, how can we ensure that our decisions on base closure and realignment do not conflict with these studies findings?
11. Mr. Secretary, we cannot review and analyze your recommendations for base closures and realignments without the certified data on which they were based. We have yet to receive that data from you. Time is of the essence since we have so much to accomplish between now and September 8th when our report must be submitted to the President. When can we expect that data from you?
12. If all the BRAC 2005 recommendations are implemented, can you tell us what the overall capacity reduction is projected to be for the Department of Defense, in terms of actual operational forces reduced, military and civilian support personnel positions reduced, square miles of bases and training ranges reduced, storage space eliminated, etc?
13. Until shortly before the report was issued, we and the rest of the country understood that the BRAC would close 20-25% of the bases, yet only about one-third of the amount is reported to be the current figure. What changed?
14. After optimum base realignment scenarios were run and costs developed, were the Services allowed to adjust the final recommendations by removing, adding or realigning their base infrastructures? If so, what were those changes and what was the rationale for allowing them?
15. The initial DOD BRAC impact by state report shows fewer than 15,000 personnel, including 668 civilians, returning from Germany and Korea while we understand that the number returning to the US will be closed to 70,000. Where to you intend to base the other 55,000? When will we know this? How does this affect your recommendations and be projected savings of \$49Billion?

FORCE STRUCTURE

16. DOD recently provided Congress with an updated 20 year force structure plan to be used in developing BRAC recommendations.
 - a. What key assumptions was the Air Force's force structure plan based on?
 - i. For example, what assumption does it make regarding replacement of existing aircraft—one for one replacement, or something smaller?
 - ii. What assumption does it make regarding the future of UAVs relative to other aircraft?
 - b. Does the force structure plan submitted in March 2005 reflect OSD's decision to reduce the number of F-22s that will be bought?
 - c. To what extent is the force structure likely to change as a result of the QDR and how much flexibility will the Air Force have to accommodate a different and potentially larger force structure under the proposed BRAC closing and realignment plan?

COST

17. Your report indicates that the level of projected annual recurring savings from this BRAC round is almost as much as the last four rounds combined. What are the major areas of savings?
 - a. To what extent are those savings related to reductions in costs of facility maintenance and repair and recapitalization?
 - b. To what extent are those savings related to civilian personnel reductions?

- c. To what extent are those savings related to reductions in military personnel end-strength levels? To what extent will authorized military personnel end-strength levels be reduced? If not, why not?
18. With the cost of implementing BRAC, overseas rebasing, the global war on terrorism, and the cost of several big ticket acquisition items such as F22, JSF, and Army modularity competing for funding, how does the Department plan to pay for all of these investment needs?
19. Historically, one way of measuring the magnitude of savings expected from BRAC is the net present value of savings for a 20-year period. In that regard, the Department seems to be making two different 20-year savings projections from this BRAC round, one of which suggests the savings are about \$ 50 billion and another which suggests the figure would be \$64.2 billion if you include anticipated savings from overseas basing realignments around the world. Given what appear to be significant uncertainties regarding the level of costs and savings from yet to be finalized changes planned in overseas basing, isn't it a bit unrealistic to be trying to add \$14 billion more to your projected domestic BRAC savings.

RECOMMENDATION / FUNCTION SPECIFIC

20. So many of your recommendations pertain to reserve component activities, where the applicable personnel levels would seem to be below the personnel threshold levels (i.e. 300 authorized civilians) where closure action under the BRAC law would be required. In fact, the number of reserve actions proposed is so great one is almost inclined to call this the "2005 Reserve BRAC Round."
 - a. Why are you proposing these reserve component actions under BRAC when BRAC is not needed to authorize them? If we were to look closely at each of these reserve actions, how many of them actually save money?
 - b. To what extent have you assessed the potential impact of these reserve component recommendations on recruiting and retention of reserve personnel?

21. Your Headquarters Cross-Service Group has proposed creation of a number of joint bases whereby a single military service is being given responsibility for installation management functions for two or more bases located in close proximity to each other. How do you envision this working and where do you see savings occurring?
 - a. Historically, the Air Force has been known for maintaining a higher standard of living, services, etc. on its bases than the other military services. That aside, will the joint service bases use the standards of the service that has the lead in managing the facilities of the other military services and will this result in the quality and standards being upgraded or possibly degraded for everyone? If so, what are the impacts on savings?
 - b. For those instances where installation management for an Air Force base will be the responsibility of the Army or Navy, how will the Air Force standard be upheld or will the level of services be equivalent to existing practices of the Army or Navy?

22. There are many BRAC recommendations that would relocate military activities out of leased space and onto military bases where new construction will be required. To some extent these relocations are being justified in terms of meeting new force protection requirements.
 - a. To what extent has this been coordinated with GSA in terms of impact on their costs and impact on their portfolio of facilities?
 - b. To what extent do your intelligence assessments indicate a greater threat to DOD tenants in leased space compared with other government civilian tenants given today's threat environment? Would GSA and the Department of Homeland Security agree with your assessment?
 - c. How realistic is it to expect that force protection requirements would be enacted at the affected sites in the absence of BRAC?

23. Your recommendations also include the closure of the Portsmouth Naval Shipyard. With Portsmouth being only 1 of 4 remaining major Navy shipyards that perform depot maintenance work—primarily on nuclear-powered submarines—can you assure us that the closure of this non-reconstitutable asset is in the best interest of DOD. We further understand that Portsmouth is considered by many to be one of the more efficient of the Navy shipyards.
 - a. In your analysis of realigning Portsmouth's projected workload to other shipyards, what is your assessment of the amount of overall surge capability you have in the short and long term if you close this facility?
 - b. What is your assessment of the impact of losing Portsmouth workers who are experienced in the highly technical field of maintaining nuclear-powered Navy vessels and how quickly do you think it would take to train personnel or acquire the needed capability at the other shipyards?
24. Your package of recommendations includes a realignment of Walter Reed Army Hospital. Yet, for all intents and purposes, it looks like a closure to us. Would you care to comment?
25. There are several BRAC recommendations that support Joint and Cross-Service objectives. Was consolidating the Service Senior War Colleges into a Joint Center of Excellence for War Colleges considered?

ENVIRONMENTAL

26. In authorizing the 2005 BRAC round, Congress required the department to consider the impact of environmental restoration costs in its BRAC decision making process. Could you please explain how these costs were considered in the decision making process, particularly in assessing costs and savings, and whether those costs affected any BRAC decisions?

ECONOMIC

27. To what extent were considerations of economic impact, or regional impact in general, factors in final decisions of which bases would be recommended for closure or realignment?



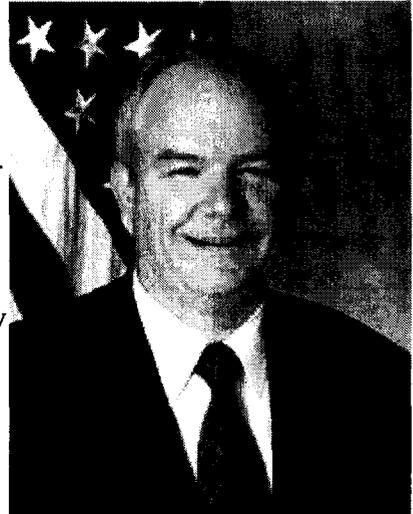
MICHAEL W. WYNNE

Under Secretary of Defense for Acquisition, Technology and Logistics



Michael W. Wynne is the Under Secretary Of Defense for Acquisition, Technology and Logistics. He was named to this position May 23, 2003.

In this role, Mr. Wynne is the Principal Staff Assistant and advisor to the Secretary and Deputy Secretary of Defense for all matters relating to the DoD Acquisition System, research and development, advanced technology, developmental test and evaluation, production, logistics, installation management, military construction, procurement, environmental security, and nuclear, chemical, and biological matters.



Mr. Wynne came to the Department of Defense as Principal Deputy Under Secretary of Defense for AT&L. He continues to hold this position to which the Senate confirmed him on July 12, 2001, along with his Under Secretary duties.

Before joining the Bush Administration, Mr. Wynne was involved in venture capital. He nurtured small technology companies through their startup phase as a member of the NextGenFund Executive Committee, and served in executive positions of two of those companies.

In 1999, Mr. Wynne retired as Senior Vice President from General Dynamics (GD), where his role was in International Development and Strategy. He spent 23 years with General Dynamics in various senior positions with the Aircraft (F-16's), Main Battle Tanks (M1A2), and Space Launch Vehicles (Atlas and Centaur) Divisions.

In between his assignments at GD, Mr. Wynne spent three years with Lockheed Martin (LMT), selling the Space Systems division to then-Martin Marietta. He successfully integrated the division into the Astronautics Company and became the General Manager of the Space Launch Systems segment, combining the Titan with the Atlas Launch vehicles.

Prior to joining industry, Mr. Wynne served in the Air Force for seven years, ending as a Captain and Assistant Professor of Astronautics at the US Air Force Academy, where he taught Control Theory and Fire Control Techniques. Mr. Wynne graduated from the United States Military Academy, holds a Masters in Electrical Engineering from the Air Force Institute of Technology, and a Masters in Business from the University of Colorado. He has attended short courses at Northwestern University (Business) and Harvard Business School (PMD-42). He is a Fellow in the National Contracts Management Association, and has been a Past President of the Association of the United States Army, Detroit Chapter and the Michigan Chapter of the American Defense Preparedness Association. He has published numerous professional journal articles relating to engineering, cost estimating and contracting.



PHILIP W. GRONE
Deputy Under Secretary for
Installations and Environment



Mr. Philip W. Grone was appointed as the Deputy Under Secretary of Defense for Installations & Environment on November 1, 2004, after having served as that post's principal assistant deputy since September 2001. Mr. Grone has management and oversight responsibilities for military installations worldwide, which have a land area covering over 46,000-square miles and containing 587,000 buildings and structures valued at more than \$640 billion. His responsibilities include the development of installation capabilities, programs, and budgets; base realignment and closure; privatization of military housing and utilities system; competitive sourcing; and integrating installations and environment needs into the weapons acquisition process. Additionally, he has responsibility for environmental management, safety and occupational health; environmental restoration at active and closing bases; conservation of natural and cultural resources; pollution prevention; environmental research and technology; fire protection; and explosives safety. Mr. Grone also serves as the Department's designated Senior Real Property Officer as well as the DOD representative to the Advisory Council on Historic Preservation.



Mr. Grone came to the Pentagon in 2001 with more than 16 years of Capitol Hill experience. He served as the Deputy Staff Director and the Assistant Deputy Staff Director for the House Armed Services Committee (HASC) from 2000-2001, where he managed all committee hearing, mark-up, floor, and conference activities, including the production of the annual defense authorization bill.

From 1995-2001, Mr. Grone served as Staff Director of the HASC Subcommittee on Military Installations and Facilities. In that position, he led the staff development of the annual military construction authorization bill. The legislative accomplishments of that subcommittee during his tenure included the Military Housing Privatization Initiative, the privatization of defense utility infrastructure, reform of the Sikes Act (concerning natural resource management on military installations), and various withdrawals of the public lands for military training and readiness.

Mr. Grone also served as the Subcommittee Professional Staff Member for the HASC Subcommittee on Oversight and Investigations; Professional Staff Member for the Joint Committee on the Organization of Congress; and Legislative Assistant to U.S. Representative Willis D. Gradison, Jr. of Ohio.

Mr. Grone graduated from Northern Kentucky University, *summa cum laude*, with a B.A. and earned his master's degree from the University of Virginia.

**Suggested Commissioner Questions
Base Closure and Realignment Commission**

Panel II

The Honorable Philip W. Grone, Deputy Under Secretary of Defense for
Installations and Environment

and

The Honorable Michael W. Wynne, Under Secretary of Defense for
Acquisition, Technology and Logistics

May 16, 2005

PROCESS

1. The legislation authorizing the 2005 BRAC round required the department to consider homeland defense and surge requirements as part of the BRAC decision making process. Could you highlight how these issues were considered in the department's deliberations?

2. The Army is bringing home various units from overseas and will be stationing them on some bases that historically have had limitations on the level of maneuver training that could be conducted at home station or otherwise suffer from the effects of encroachment. The Army is also creating new Units of Actions at several of its bases which may have some space limitations for training—bases such as Forts Benning, Carson, and Riley. To what extent do you envision the Army needing to buy up land around these bases in the coming years to expand the available training space? If so, shouldn't those costs be included in the costs of the BRAC actions?
 - a. Are you concerned that retention levels will suffer at these major receiving installations if adequate infrastructure is not immediately available?

3. The Army, alone among the services, seems to be implementing results of the integrated global basing review in its domestic BRAC process.
 - a. When will the other services be implementing changes as a result of the global basing review or are those changes no longer planned?
 - b. Do you have an overall schedule of the movement of troops and units from overseas back to the states for each of the affected military services?
4. Base closure criterion #3 addresses the need to consider surge.
 - a. How did this requirement effect your determination for selecting bases for closure and or realignment?
 - b. What metrics were used to measure installation surge capabilities?
 - c. Are there particular areas where potential surge capacity is needed most?
5. How was this complex process coordinated? In the materials we have been provided to date, we have seen some apparent disconnects. For example, the recommended closure of NAS Atlanta indicates how many personnel losses were projected, but not specifically where those realigned personnel actually (by number) went. How do you recommend that the Commission reconcile the conflicting data to get a more accurate picture of the complex, multi-service realignments that have been recommended?
6. If all of your BRAC recommendations were approved, would there still be excess infrastructure within DOD? Infrastructure capacity is sometimes “in the eyes of the beholder.” Are you confident with the post BRAC capacity projections?
7. Were there some closing and realignment recommendations made independently of the Services? If so, what was the rationale for allowing

such decisions?

8. How will these BRAC recommendations posture the Services to better respond to future surge requirements? To what extent did surge requirements factor into the overall set of recommendations?
9. We understand that three principal analytical tools were used during the 2005 BRAC process, an Optimization Methodology, an Installation Visualization Tool, and the updated COBRA. How were these analytical tools used in identifying and prioritizing the merger of military operations and functions (service jointness), and in applying the military criteria for selecting bases for closure or realignment. Will those tools and corresponding backup analysis be made available to the Commission?
10. If, after this BRAC round, significant excess infrastructure is found to still exist, do you anticipate the need for another round after the next QDR is completed. Do you have a timeframe for when the next BRAC process should be implemented?

FORCE STRUCTURE

11. What were the security factors considered when geographically consolidating military installations? Are you concerned about centralizing too many assets in one location? For example, Defense Finance and Accounting Service will now be operating from three locations. Is there a risk in such an organizational configuration?

COST

12. Clearly the maximum savings in the BRAC process is achieved through complete closures and manpower reductions. Since there are relatively few complete closures and a significant number of realignments, does the report overstate savings in that personnel end strength is not being reduced significantly?
13. A number of the bases that will be beneficiaries of new missions appear to be poised for a significant influx of new personnel—posts like Forts Benning, Bliss, Carson, and Riley. To what extent do your BRAC costs and savings analyses take into consideration DOD or other federal funding to assist those communities with infrastructure improvements that may be needed such as for schools, roads, and other services?
14. As you know, we must consider costs across the entire federal government, not just DOD, in the BRAC process? How would you characterize the interagency coordination and consideration in the BRAC process?

15. To what extent has the Department fully calculated the costs of implementing its overseas rebasing initiative, including need for new facilities overseas, new training range requirements, as well as mobility and prepositioning requirements?
 - a. To what extent will there be any overall net savings from the overseas rebasing initiative considering the upfront costs of implementing that effort as well as changes in future operating costs that will be associated with that effort?
 - b. When you look at the upfront costs of implementing this domestic BRAC round, the costs of implementing the overseas rebasing initiative, and other large infrastructure costs associated with the Army's modularity program, can you give us a ballpark estimate of what that translates to in terms of Military Construction funding requirements over the next 6 years?
 - i. How does that MILCON funding requirement compare with the department's MILCON funding requests each of the previous 6 years?
 - ii. What impact will these new MILCON requirements have on the Department's ability to fund other MILCON needs at bases not subject to a BRAC action?

16. Many of the smaller recommendations deal with the replacement of a Reserve Center by a new building. For example, Reserve Center Transformation in Arkansas includes building a new facility in the same city (Arkadelphia) where an Army Reserve Center is closed. (In some cases, it was observed that the National Guard might also use the new facility). Does the estimated cost of the new buildings include the space for the National Guard? Will the cost of such buildings be partially borne by the state in question? With which states, if any, have discussions been held relating to collocating the Guard with the Reserves and/or a sharing of appropriate costs and what were the results of those discussions if any?

17. When discussion of a potential joint facility took place, who made the final decision? How were funding responsibilities established?
18. What assumptions were made regarding the need and cost for community infrastructure support such as access roads, additional parking garages, additional public schools, etc.? Please describe the assumptions relating to the impact on the local community around a closing base considering costs of unemployment insurance, reduced value of real estate, reduced property tax collection, etc.
19. During prior rounds of BRAC, nearly \$1.9 billion was spent for economic planning, redevelopment assistance and for coordinated grant assistance. What lessons should the Commission be aware of in terms of indicators for the likely need for large amounts of such spending as a result of 2005 actions which perhaps could cause us to reevaluate a proposed action? For example, did past actions at places such as K I Sawyer Air Force Base in Michigan result in disproportionately large economic planning, redevelopment assistance, and coordinated grant assistance funding? Just as K I Sawyer was the largest employer in Michigan's Northern Peninsula, NAS Brunswick is one of the largest employers in Maine. Should we be factoring in those costs, as well as the impact on unemployment levels, as we evaluate places such as NAS Brunswick and Portsmouth Naval Shipyard?

RECOMMENDATION / FUNCTION SPECIFIC

20. The Department is in the midst of trying to establish a new National Security Personnel System (NSPS) based on recent legislation authorizing DOD to establish a more flexible civilian personnel management system. As I understand it, once the design is finalized, it will likely include changes in the way civilian jobs are graded and classified (a shift to Pay Bands), in the way the employee and manager performance objectives are set, managed and rewarded (Pay for Performance), in the way the Department works with its unions (Labor Relations), in the way the Department hires, promotes and adjusts its workforce size (Staffing Flexibilities) and in the way the Department addresses personnel issues, discipline and appeals.
- a. How would implementation of the Department's BRAC recommendations affect timing and implementation of NSPS?
 - b. How would NSPS impact rights of employees affected by BRAC?
21. Please discuss the concept of core workload as it pertains to capabilities and work that must be kept organically within the defense depot system to meet wartime requirements and how it was addressed in BRAC decision making?
22. As you know, the law requires that no more than 50 percent of the department's depot maintenance workload can be contracted out in order to retain a viable organic base to perform this work. What assurances can you provide us that implementation of your recommendations will not violate the "50/50" provision?
23. Our initial review of recommendations from the Joint Cross Service groups, indicates that one from the Industrial group that creates fleet readiness centers within the Navy and another from the Supply and Storage to consolidate some service Inventory Control Point (ICP) functions under the Defense Logistics Agency generate substantial savings, yet it does not seem that savings are related to the closure of facilities. Could you please elaborate on the basis for the savings from these two recommendations and how one would validate them?

24. Your recommendations include the closure of a major Army maintenance depot, the Red River Army Depot in Texas. Yet, it would appear there is a growing backlog of equipment needing repair due to the wear and tear of damage being inflicted on military equipment in Afghanistan and Iraq. How does that square with the recommendation to close a major depot facility like Red River?
- a. We understand that the main justification for closing Red River is that other depots can absorb the work—but only if available capacity is measured at one and one half shifts as opposed to the current DOD approach of measuring capacity at one shift. Please explain the rationale for this change and how you plan to implement it.
 - b. Your recommendation to close the Army's Red River depot and move the work to remaining Army depots seems to carry with it the assumption that such consolidation will reap gains and efficiencies and reduced overhead. Yet, the recommendations leave open two Marine Corps depots that also work on ground combat vehicles. Is this a missed opportunity for the Marine Corps to consolidate work at one depot or even to improve jointness with the Army?

25. Concerning the Walter Reed Army Hospital, what makes this realignment different from a closure?
- a. Given the prominent role that Walter Reed is now playing in caring for troops critically wounded in action, how can you justify to the American people action to close this hospital?
 - b. Much publicity has been given this past year to private fund raising for the Fisher House program which provides homes away from home for families of injured service members at hospitals such as Walter Reed. If Walter Reed closes, what happens to those Fisher House residences on or near Walter Reed? Will DOD pay to provide replacement homes at other hospitals that absorb the Walter Reed caseload? Are those costs factored into your BRAC costs and savings analyses?
 - c. Has the Department completed an assessment of medical needs related to future warfighting requirements based on lessons learned from recent conflicts, or to support homeland defense? If not, how can it justify proposing closure of medical facilities at this time?
26. Please comment on the military value of installations like Fort McNair and Fort Meyer. Did you give consideration to closing such facilities and realigning their functions in places such as Fort Belvoir, Fort Meade, or Fort Leavenworth?

ENVIRONMENTAL

27. In authorizing the 2005 BRAC round, Congress required the department to consider the impact of environmental restoration costs in its BRAC decision making process. Could you please explain how these costs were considered in the decision making process, particularly in assessing costs and savings, and whether those costs affected any BRAC decisions?

ECONOMIC

28. To what extent were considerations of economic impact, or regional impact in general, factors in final decisions of which bases would be recommended for closure or realignment?

Admiral
Defense

Review

Force Structure

±

Base alignment Process
to Support Force
Structure

182 $\sqrt{18000}$

182 $\sqrt{11800}$
910
080

182 $\sqrt{1180}$
~~1090~~
5880
728
1520
2456

Good work / Bad work

65% - closure FORWARD → Reserve
≠

TRAINING

Electronic

JOINT ↔ TRAINING
Logistics
Support

Quad Defense Reserve
Force Structure