2005 BRAC COMMISSION REGIONAL HEARING

MONDAY, JUNE 20, 2005

ST. LOUIS UNIVERSITY – BUSCH STUDENT CENTER

STATES TESTIFYING:

MISSOURI

ILLINOIS

IOWA

KENTUCKY

INDIANA

MICHIGAN

WISCONSIN

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COMMISSIONERS PRESIDING:

Admiral Harold W. Gehman, Jr., Commissioner

Honorable James V. Hansen, Commissioner

Brigadier General Sue Ellen Turner, Commissioner

Rumu Sarkar, Associate General Counsel

COMMISSIONER CHAIRING THE HEARING:

ADMIRAL HAROLD W. GEHMAN, JR.

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HEARING CONVENED AT 8:29 a.m.

COMMISSIONER GEHMAN: Ladies and gentlemen, take your seats. Good morning, ladies and gentlemen. I'm Hal Gehman, and I will be the Chairperson of this Regional Realignment Commission. I'm pleased to be joined by my fellow Commissioners, Congressman Jim Hansen and Brigadier General Sue Turner for today's session. At this -- as this Commission observed in our first hearing, every dollar consumed in redundant 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 and the sea.

The Congress entrusts our armed forces with vast, but not unlimited, resources. We have a responsibility to our nation and to the men and women who bring the Army, Navy, Air Force, Marine Corps to life to demand the best possible use of these limited resources.

Congress recognizes that fact and authorizes the Department of Defense to prepare a proposal to realign or close domestic bases. However, that authorization was not a blank check. The members of this Commission accepted the challenge of providing an

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independent fair and equitable assessment of the Department of Defense's proposals and the data and methodology used to develop that proposal. We've committed to the Congress, to the President and to the American people that our deliberations and decisions will be open and transparent and that our decisions would be based on the criteria set forth in the statute.

We continue to examine the proposed recommendations set forth by the Secretary of Defense on the 13th of May and measure them against the criteria for military values set forth in the law, especially the need for surge capabilities in homeland security. Be assured we are not conducting this review as an exercise in sterile cost accounting. This Commission is committed to conducting a reality check that we know will not only shape our military capabilities for decades to come, but will also have a profound effect on our communities and on the people who bring our communities to life.

We also committed that our deliberations and decisions would be devoid of politics and that the people in communities affected by the BRAC proposals would have, through our site visits and our public hearings, a chance to provide us with direct input on

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the substance of the proposals and the methodology and assumptions behind them.

I would like to take this opportunity to thank the thousands of involved citizens who have already contacted the Commission and shared with us the thoughts -- their thoughts, concerns and suggestions about the base closure and realignment proposals.

Unfortunately, the volume of correspondence we have received makes it impossible for us to respond directly to each one of you in the short time that the Commission must complete its mission, but we want everyone to know the public inputs we receive are appreciated and taken into consideration as part of our review process.

Today we will hear testimony from the states of Missouri, Illinois, Iowa, Kentucky, Indiana, Michigan and Wisconsin. Each state has been allotted a block of time determined by the overall impact of the Department of Defense's closure and realignment recommendations on their states. The delegation members have worked closely with their communities to develop agendas that I am certain will provide information and insight that will make up an available part of our review. We would greatly appreciate it if

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you would adhere to your time limits because every voice is important and the last presentation is just as important as the first.

The time rules are that the time allotted to each delegation will be enforced. So if a delegation has multiple speakers and an early speaker runs over, the only thing you're doing is you are precluding a later speaker from your own delegation from completing his presentation. Each delegation will be gaveled off at the appropriate time.

I'd also like to thank St. Louis University for allowing us to use this wonderful facility this morning. It's very appropriate and it's big enough and it's very comfortable, and we are very thankful to the City of St. Louis and to St. Louis University for their hospitality.

I now request our panel for the State of Missouri to stand for the administration of the oath, which is required by the base closure realignment statute. The oath will be administered by Rumu Sarkar, the Commissioner's designated Federal Officer.

(Panel sworn.)

COMMISSIONER GEHMAN: Senator Bond, are you first, sir?

SENATOR BOND: Yes, sir. Thank you very

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much, Chairman Gehman, General Turner, Congressman Hansen. Welcome to St. Louis and thank you for being here. A very special thanks to Chairman Principi, who agreed to delay this hearing two weeks to give us a chance to begin reviewing the documents just released by the Pentagon.

We very much appreciate your giving us this opportunity to present our concerns about the Pentagon's recommendations. At this point I have statements by Congresswoman Emerson and Congressman Hulshof that I ask be placed in the record along with my full statement, which I will supplement.

COMMISSIONER GEHMAN: It will be.

SENATOR BOND: I'm a strong supporter of the BRAC process and have supported each of the previous closure rounds. We know, as you stated, Mr. Chairman, how important they are to making sure we meet the needs of the 21st century, and without relying on the 20th century operations. We now have the opportunity to evaluate DoD proposals, and it's up to us to provide the most current information, as well as to outline deficiencies and deviations we've discovered to ensure that your -- you complete your critical work and the public is confident in the choices that are made.

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Over the next two hours, you'll hear more detailed comments on Missouri activities from local officials and military experts, but I offer a larger context.

The Department of Defense has proposed in its plan that a number of Missouri facilities will be closed and jobs sent elsewhere. None of us likes to see jobs leave the state, but I'm mindful of the key objective, making a more capable, efficient military that protects all Americans.

With respect to efficiency, the Human Resources Command of the Pentagon has recommended relocating and combining three separate HRC sites in one location. It makes common sense. Eliminate duplication, create efficiencies, save money, serve our warfighters better. At present, approximately 15 percent of the HRC-St. Louis building is unused, and as our panel of experts will soon describe, a new opportunity has now arisen to accommodate fully and economically the Army's needs at no cost, rather than a huge new expense. The building HRC-St. Louis was built less than 20 years ago, specifically designed for the personnel command, and visiting it you will see that it is a magnificent facility. No such facility exists at Fort Knox, and the Army would be

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required to build a major new facility, probably over $60 million. But no plans exist in the recommendations -- evidence in its face that it does not meet the BRAC's rules for efficiency. I think when the Commission focuses on the new information we will provide, regarding the costs of moving the mission, and the fact that a building here in St. Louis can now be Army owned, rather than leased, you will conclude that rejecting the Pentagon's recommendation is the right course.

Now, turning to capabilities. I know everyone involved in this round of BRAC has approached his or her job with a different mindset than previous rounds. We are not realizing a peace dividend. We are not looking to NATO as the primary bulwark against our threat of communism across the ocean.

We have created a Department of Homeland Security to be our bulwark against terrorists right here at home. So the challenge facing us is, given the new demands, where should our military assets be located. The BRAC law is clear that military value is clear criterion guiding the decision. The first criterion: Current and future mission capabilities. What is that mission? National security strategy of the United States says, "Defending our homeland

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against its enemy is the first and fundamental commitment of the federal government."

That brings me to the recommendation to eliminate the 131st Air National Guard Fighter Wing. I've had the honor of founding and being the co-chair of the Senate's National Guard office for the past 15 years, and have had numerous discussions as to what is the current and future role of the Guard, whether we are providing them resources to match the missions.

I've seen the Air Guard's responsibilities increase dramatically post 9-11. They've taken on policing the nation's air space. In the days following 9-11 an unidentified small aircraft flew too near a nuclear power plant in Missouri. Pilots of the 131st were called into action.

The Assistant Secretary of Defense for Homeland Security said before the House of Representatives last year, "Each and every day the men and women of the United States Air Force, United States Air Force Reserve and Air National Guard secure the skies over major metropolitan areas, historic monuments and our nation's critical infrastructure." Later on today, and subsequently, you'll hear from General Lempke and other Guard leaders who believe that the Air National Guard was not given an access to

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the Pentagon's process, and that the needs and the missions of the Air National Guard were not appropriately realized.

Within miles of where we're sitting today, there are nuclear reactors, a Boeing plant producing our tactical aircraft, stadiums, monuments, large chemical storage facilities, the uranium enrichment facility and, of course, Whiteman Air Force Base and its B-2s.

And very close to here we have the essential rail and highway bridges across the Mississippi and the critical locks for transporting ag products to the world market down the Mississippi. But now we're facing a recommendation from the Pentagon which says we plan that each and every day the men and women of the Air National Guard will secure less of our vulnerable areas. To me that's unacceptable.

How did it come about? How did the Air Force allow the BRAC process to deviate substantially from the law in the force structure plan? On the surface the Air Force said all the right things. They established 16 principles. Five of those principles were defined as imperative and two of the five are homeland and Air National Guard missions. The deliberations show in the earliest stages they

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discussed proximity to homeland defense response areas as part of the chief expeditionary Air Force principles. They discussed out-of-bill questions to determine the military value of homeland security. They described how expeditionary Air Force imperatives includes the need to discover key sights. But in the end, it does not appear that Homeland Security was factored into the Pentagon's decisions. Behind closed doors the Air Force chose to take a path where homeland defense as a factor was considered but rejected.

The result is a BRAC process that has no questions on homeland defense, awarded no points for homeland defense, and weighed no answers on homeland defense. So it should be no surprise that a base whose prime mission is homeland defense is slated for closure. If your bases sole mission was to protect critical infrastructure, under the Air Force analysis and scoring you get zero for that. Protecting civilian population: Zero. But the Air Force did weigh factors such as weather and runway length, assigning scores, distance to air training space, but not distance to critical infrastructures. Twenty-five questions for fighter bases but none on homeland defense. No questions or points on a fighter base's

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capability to meet the homeland defense mission. No questions or points on a fighter base staging area for homeland defense. But the Air Force in its justification for dismantling the 131st says, "The Atlantic City-bound aircraft will provide expanded capability for the homeland defense mission." Not in the heartland. It suggests that the Air Force uses the homeland defense mission only selectively when it suits its purpose. Homeland defense is justification for moving planes from Lambert to New Jersey, but they were not considered in the Air Force evaluation of the wing protecting the Central United States critical facilities and this location. I didn't believe it when I first learned it was the case. I still find it hard to believe. I support the BRAC process, but it's clear when it comes to the 131st Fighter Wing, in fact, all the Air Guard decision-making somewhere in the process got derailed. The Adjutant General will give you more about that later.

The decision to remove the 131st creates a regional vulnerability that stands in direct contradiction to the Homeland Security principles outlined by the Air Force, the Secretary of Defense, and the President. The Air Force BRAC process substantially deviated from BRAC statutory criteria

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and the Force Structure Plan and the recommendations to remove the 131st substantially deviates from BRAC requirements. It is my strong opinion that these errors warrant the BRAC Commission rejecting the recommendation to close Lambert Field, lose its central location as a staging area for homeland defense and disperse its homeland defense mission capability F-15s in the 131st.

Mr. Chairman and Commissioners, I hope you will agree. I thank you for your time and consideration.

COMMISSIONER GEHMAN: Thank you, Senator Bond. Senator Talent.

SENATOR TALENT: Thank you, Mr. Chairman. I sure appreciate the opportunity to testify. Let me just say right at the outset that for the BRAC process to work, the Commission has to fulfill its function as an independent reviewer, and has to do that regardless of where the chips may fall. I was very pleased to hear your statement in agreement with that. Where it's plain that service recommendations make no sense, where they fail to take into account facts that are obviously important and have relied instead on irrelevant or secondary factors, the integrity of the process requires that you reverse their

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recommendations. And my point today is that the department has made such errors in its recommendation, in particular to realign the 131st and its Human Resources Command, although I want to associate myself with the remarks that others will make regarding other closings around Missouri.

First with regard to the 131st: The Air Force believes that it will enhance cost effectiveness by disestablishing the 131st and sending the planes to Atlantic City and Nellis. But in making the recommendation the Air Force simply failed to consider, much less explain, three uncontested and obviously relevant factors.

First, that the 131st is the most experienced F-15 unit in the country.

Second, that it is the most cost effective Air National Guard F-15 unit in the country.

And, third, that realigning the 131st will remove the single most important and strategically placed Homeland Security asset in the heartland of the country. First, as you will hear in greater detail from General Sidwell and Colonel Brandt, the 131st is the most experienced F-15 squadron in the country. Its pilots have an average of 3,000-plus hours of stick time in the F-15. Twenty-three of the 26 pilots

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either currently serve or previously were instructors. Eleven were Air Force top guns, and all 26 are combat veterans. The Air Force just ignored this. But while ignoring the combat experience of the 131st, the Air Force determined military value by applying an inappropriate one-size-fits-all metric to both active and reserve component fighter installations. Some of the criteria simply aren't relevant for Air Guard units. For example, it doesn't matter that the 131st lacks the ability to pump aviation fuel in support of other deploying units, or that it lacks the surge capacity to support other units.

Yet the Air Force downgraded the military value of the 131st because it didn't perform those functions, which are not, and never will be, part of its mission whether it realigns or not.

Second, since the mission of the 131st is to fly air sorties, the single motor important metric to use in judging cost effectiveness is this: How cheaply can it get and keep F-15s in the air.

Yet the Air Force never took into account the fact that the cost per flying hour of the 131st is less than the cost of any other F-15 squadron in the country. That it has the lowest annual flying cost of any other Air National Guard F-15 unit and the lowest

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annual budget. In order to save money, they are realigning the least expensive Air Guard unit in the country.

Instead the Air Force methodology downgraded the 131st for secondary considerations like utility costs and locality pay rates for civil service. They looked at a few of the trees while ignoring the value of the overall forest.

And, finally, the Air Force failed to consider that its recommendation would leave the heartland of the country vulnerable to terrorist attack from the air. Senator Bond has eloquently addressed that point. I want to associate myself with his remarks, but in the interest of time I'm not going to repeat them.

In short, as Colonel Brandt will explain to you in detail, the 131st can fly more sorties at less cost with more experienced pilots than any other Air Guard F-15 unit in the country. And yet the Air Force, in the name of military value, no less, wants to disestablish it and leave the heartland of this country undefended against terrorists attack from the air. Its recommendation should be rejected.

Time requires me -- because I'm sensitive of your admonition, time requires me to be brief in

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addressing the question of the Human Resources Command. The Army's recommendation to relocate the HRC to Fort Knox, Kentucky should be rejected because it does not account for the cost of the new building at Fort Knox that will be necessary, or the cost of relocating personnel from St. Louis to Fort Knox. The Army has recommended closing the HRC in St. Louis, and the even larger Army Records Center in Alexandria, Virginia, and shifting those functions to Fort Knox, Kentucky.

The Army, in doing so, factored in an additional $3 million cost for increased utilities. But as a three-star general officer at Fort Knox stated two weeks ago, that installation has no facilities to accommodate even the extra workforce from St. Louis, much less the larger workforce envisioned when St. Louis and Alexandria merge.

The Army offers no explanation of how it intends to house the new employees at Fort Knox. Are you going to put them in tents? Yet our own estimate is that a new building of sufficient size would cost up to 100 to 120 million dollars. Remember, this is a records center. You can't just put them in a warehouse. The building has to be accommodated for records. It's a center, by the way, so you can't just

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put them in facilities strewn all over a base. You have to have a single facility.

In addition, for operational purposes, and as it has in the past, the Army will offer to relocate employees of St. Louis to Fort Knox. It has to have the experienced employees. Our current survey of the employees at the HRC indicates that 45 percent of them will accept that offer. My experience with the ATCOM, when it moved, was that that number will end up being a lot closer to 75 or 80 percent, because those are good jobs. But even using the 45 percent number, using the relocation cost of between 68,000 to 75,000 dollars per civil servant GS-7 and above, that would add no less than $25 million to the cost of relocation, a cost which will certainly occur, and which, again, the Army simply ignored.

Therefore, the BRAC recommendation for HRC is, at best, and being very charitable, incomplete. Rather than the $3 million included for additional utility costs, the total cost of the move from St. Louis to Fort Knox could range up to an additional 125 to 150 million dollars. Remember, they are making this move in the name of cost effectiveness, and they haven't taken that into account.

You're going to hear from other people, hear

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about a potential alternative, because also at the HRC here in St. Louis, the National Archives has space, which they would like to abandon. When they do abandon it, if they do abandon it, then the building is going to go from a GSA tier one building to a tier three building, which would permit the GSA to transfer it to the Department of Defense. So you'd have enough space here in St. Louis if they do want to merge to move Alexandria here, and this is a records center. It's not where they have to build a new building in Fort Knox.

In short, Mr. Chairman, the Army has recommended realigning a facility based on cost. They are doing this for cost, while ignoring at least up to $150 million in extra expense that the realignment will generate. This is going to happen. The costs will occur and the Army cannot account for them and, therefore, its recommendation to close the HRC should be rejected.

In closing, Mr. Chairman, again, sensitive of time, let me rephrase what I said in the beginning. The BRAC procedure assumes that the Commission is going to exercise an independent role in reviewing the recommendations of the department, and I don't say this because I think you're not going to do it. I

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mean, every statement I've heard from the Commission indicates that you intend to fulfill that role. In particular, you have no obligation to torture logic or the record in order to support recommendations that just make no common sense in light of important and uncontested facts. I know that you and the other Commission members understand the obligations of the Commission. You're experienced and seasoned members and I'm grateful to you for the opportunity to make the statement today.

COMMISSIONER GEHMAN: Thank you very much, Senator Talent. You have any questions for the two Senators before we move on? Apparently not. Thank you very much. We'll look forward to hearing from the 131st Fighter Wing group next.

CONGRESSMAN AKIN: Good morning, ladies and gentlemen. I thank you so much for taking time to conduct these important hearings, and before I introduce our panelists I would like to make a few comments myself regarding the realignment of the 131st Guard unit here in the St. Louis area. I'm a former combat engineer officer, and I'm also a member of the House Armed Services Committee, and I've supported the BRAC process a number of times, and I understand the need for efficiency in the process of putting together

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our national defense. And I would say that in general the Army and the Navy have done a pretty good job in structuring their recommendations. But I can't say quite as much for the Air Force, unfortunately. They used subcriteria which I believe are fatally flawed, and they presumed a future force structure which has metrics that are based on 20-year projections. In the process they also failed to discuss their plans with the Guard and with the Adjutant Generals from our particular state.

Now let me be a little bit more specific. The Guard contribution is 34 percent of the capability of the Air Force at seven percent of the cost. Now, how is it possible to achieve such a tremendous level of efficiency to have 34 percent of the capabilities and only seven percent of the cost? Well, the way that we achieve it is that we have the people in the Guard have regular jobs and they live at home, and they are doing it on a part-time basis. And at the same time they have a tremendous level of experience that they are bringing to the job. So we have a tremendous level of talent, but because they are not completely full time, we get these cost efficiencies.

Now, I'd just like to underline a little bit, because I'm afraid that maybe my panelists won't

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brag as much as they ought to, but the pilots in this Missouri 131st Fighter Wing are some of the most experienced Eagle drivers in the world. The average pilot has over 3,000 flight hours, over 16 years of service, and they have had combat experience including kills in Desert Storm. They have approximately 78,000 total flying hours, 439 years of aviation experience, 23 of the 16 -- 26 pilots are current or previous instructors, eleven are graduates of the Air Force weapons instruction course, and a number of other statistics which are printed and we'll submit for the record.

Now, putting that into perspective you have that tremendous level of capability, and the argument is, is that what we're going to do is we're going to pick up these airplanes, we're going to fly them a certain number of thousand miles, which we'll grant, you can do that fine, but what are you going to do with that human capital? What are you going to do with that loss of experience? You're just going to replace it with somebody fresh out of school. I have a son currently over in Fallujah. He's getting some pretty intense training over there. And in a certain number of years, if he were to retire and he had all of that training and actual combat under his belt, and

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he's willing to work on a part-time basis and still bring that experience, that would be a tremendous amount of human capital that would be represented. That's exactly what we're talking about here. We're talking about people with incredible capabilities at a very low cost. And somehow I just can't understand how this passes the smell test of efficiency.

We're going to take the most efficient unit we've got going and somehow replace it with full time and come out with better numbers. It just doesn't seem to make sense.

I would like to introduce some of the people that are going to be joining me now on the panel who are more qualified to talk about the details. Now the first is Major General Roger Lempke. He is the TAG of Nebraska and the President of AGAUS. General.

MAJOR GENERAL LEMPKE: Commissioners, I'm Major General Roger Lempke, Adjutant General from Nebraska and President of the Adjutants General Association of the United States, AGAUS. My purpose here today is to summarize key BRAC issues from the collective perspective of 54 Adjutant Generals. The Adjutant General of each state and territory is responsible for the readiness of their respective Army and Air National Guard units. A state employee of the

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Adjutant General may also be responsible for emergency management and Homeland Security. The Adjutant Generals Association of the United States brings together the Adjutant Generals of the several states to deal collectively with issues and speak with one voice to the chief of the National Guard Bureau and the nation. This morning I will summarize my written testimony which will be entered into a record.

To begin with, I want to make three points very clear. The AGAUS supports the overall BRAC process as legislated by Congress. We understand and support the need to transform the military and adapt to changing threats and conditions. And from our perspective, much fine work has gone into the BRAC process.

Number two, we support the process by which the Army used to prepare its recommendations. The process has been inclusive from the beginning. Most importantly, the Army recognizes the National Guard's vital role in Homeland Security. We were not involved, however, in the Air Force BRAC process. Until very recently the Adjutants General were excluded from deliberations to develop what's called Air Force future total force, the overall guide used to develop the Air Force BRAC plan. Reviewing the

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still incomplete information sent -- released by Department of Defense has revealed that the Air National Guard capabilities and operational efficiencies were not properly assessed, resulting in flawed recommendations. You will learn of these in your state and regional hearings.

Today I will present key issues that the Adjutants General of the United States hope that you will take into consideration. You will see these issues apply to the states here today and you will hear more of these issues in other hearings with other states. The first one is infrastructure evaluation. The Air Force used one standard to evaluate all sites, would be the active duty, reserve or National Guard. Yet the concept of operation for National Guard bases is different than that for active duty. In ten of the low-cost operating locations, Air National Guard facilities often leverage existing civilian capabilities. Examples include sharing of runways, fuel storage and transport facility, fire and crash rescue and buildings. Air Force criteria used in the military value did not score these kinds of cost saving features.

Another low cost feature of Air National Guard facilities is their sizing to support only the

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flying mission stationed there. ANG facilities do not typically possess excess parking ramp space because they are never tasked to perform as a staging base for major operations. Of the four major criteria used by the Air Force to develop military value for each site, cost of operations, manpower and implications is ranked and scored the lowest. Not surprisingly then, of the top 47 sites ranked by the Air Force Military Values Team, only two are Air National Guard sites.

Assigned aircraft to each unit: Many of the Air Force BRAC recommendations deal with shifting aircraft to increase the number of aircraft and squadrons in other areas. That's what's happened in the 131st here in St. Louis. We've been told the Air Force analysis -- has analysis detailing how operational costs will be significantly lower. We do not dispute that the Air Force -- what the Air Force intends for active duty, what's called PAA, aircraft assigned. However, we do challenge any contention that cost savings from moving aircraft to increase PAA outweigh the costs associated with the moves when dealing with the Air National Guard. Experience suggests that a small increase in Air National Guard fighter squadron size may be cost effective. The same does not hold true for airlift or tanker. We would

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ask the Commission to view the assigned aircraft moves within the Air Force portion of BRAC with care.

Recruiting and retention: The loss of aircraft from the Air National Guard and the movement of aircraft to fewer sites will have a significant impact on the retention of the most experienced air crews and maintenance personnel in the Air Force. Unlike active duty personnel, National Guard personnel do not just pack up and move to another location. No claims have been made that retention factors were included in the analysis. We cannot yet find significant evidence of this in the BRAC documentation released so far. This one factor alone could devastate the Air National Guard and hurt our nation's ability to provide for homeland defense and rapid support of active duty forces. This is a critical area. Once a flying mission is removed from a location, the experienced lost and the companies that change can never be recovered.

Enclaves: The enclave is a novel concept which the BRAC Commission must decide fits within the ground rules determined by Congress for the BRAC process. Our understanding of the enclaves concept is that it keeps some resources important to Homeland Security in place and serves as a placeholder for

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sites until new missions are identified. Again, the case here in St. Louis. From our perspective for an enclave concept to be successful the final outcome for the location should be published along with the initial action. To our knowledge, no such plan is available. The gap between the removal of operational missions and the insertion of new missions to enclaves is a great concern to the Adjutants General. Our other concern is that new missions are so distant in the future that the cadre remaining after realignment will be unable to recruit and retain service members for pending, but yet unknown, missions.

Programatic issues versus BRAC moves: The closure of bases and sites largely requires the movement of operational assets, generally aircraft, to other locations. This aspect of BRAC is understood by all. But we have concerns that portions of the list actually move force structure more than eliminating excess infrastructure. Aircraft retirement and reassignment are considered programatic actions that are more feasible for prescribed processes in the military chain of command with civilian oversight. Including force restructuring under the BRAC umbrella eliminates opportunities for adjustments after the BRAC recommendations become law. We simply ask that

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the Commission consider this issue carefully.

And, finally, recommendations: The Adjutants General desire the opportunity to work with the National Guard Bureau and the Department of Air Force to achieve an optimum plan that achieves Air Force objectives while insuring the Air National Guard sustains its federal role as an operational force and strategic reserve across the Air Force spectrum of missions and its role in Homeland Security. The current BRAC list in this regard is very prescriptive in the realignment of flying and support operations involving the Air National Guard. A less prescriptive list would enable the renewal of a cooperative attitude that can lead to more robust and agile solutions in the future. Thank you very much for your attention.

COMMISSIONER GEHMAN: General, thank you very much for your presentation. Next we have General King Sidwell, and he is with the -- he is the Missouri Adjutant General.

GENERAL SIDWELL: Members of the Commission, on behalf of the citizen soldiers of the Missouri National Guard, I want to thank you for the opportunity to express our thoughts and concerns with regard to the recommendations for the -- from the Base

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Realignment and Closure Report.

As the Adjutant General of Missouri National Guard my primary responsibility is the readiness and manning of the Missouri National Guard for the defense of the United States and to support the governor and the citizens of the State of Missouri. The realignment of the 131st Fighter Wing and the relocating of the nation's most capable superior unit with the superior fighter, the F-15C Eagle, will significantly detract from this mission.

Our nation's national security strategy states, "Defending our nation against enemies is the first and fundamental commitment of the federal government." The national defense strategy makes protecting U.S. homeland the highest priority of the Department of Defense. The Secretary of Defense articulates this defense strategy in various venues including the quadrennial defense review, the national defense strategy and the annual defense planning guidance documents.

The current strategy identifies four objectives. The first among these four is securing the United States from direct attack. As we know our borders are not now inviolate. The national defense strategy also provides strategic level guidance for

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developing force structure. Introduced in 2001 QDR, the 1421 strategy replaced the two major theatre war guidance and embraced the 1421 strategy calls for, 1, defend the homeland; 4, deterring four regions; 2, defeat swiftly in two overlapping campaigns; 1, win effectively with an enduring result.

The Secretary of Defense has directed the individual services to apply eight criteria for basing considerations. The first four criteria are elements of military value. By law they are the primary measures of an installation's usefulness. Consequently the criterias one through four form the analytical basis for the recommendations. I will not restate those criteria at this time. However, it appears that the homeland defense was not accurately considered by the BRAC 2005 attributes to military value. By not creating accurate attributes, BRAC 2005 created a military value rating system that does not reflect the unit's actual military value and, therefore, BRAC 2005 will be realigning and closing Air National Guard bases, and in particular the 131st, which are crucial to the homeland defense mission, based on what I feel to be flawed criteria.

I agree with Senator Bond and Senator Talent that the Air Force BRAC statutory criteria, and the

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force structure planned, and the recommendation to remove the 131st substantially deviates from these BRAC requirements.

For example, the questions used to determine first military value of a unit were related to air traffic control restrictions, prevailing weather, proximity to training space, proximity to low level routes and auxiliary airfields. These questions do not reflect current and future missions. Common sense tells me that if you were assessing military value of a base and its infrastructure, different questions should be asked.

The first question would determine the location of the alert sites relative to major metropolitan areas, critical infrastructure and industrial assets.

The second question, which seems particularly important, would be the scramble capability to get to these areas of interest.

And lastly, I would ask what aircraft gives you the best capability to get there and get it done. None of these items were quantitatively evaluated.

In Missouri, who covers the B-2 bombers in the Whiteman Air Force Base? Who covers the Callaway Nuclear Plant? Who covers the bridges, locks and dams

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critical to our transportation infrastructure?

Let's take a look at the way the Air Force made its decision with the four military values. The first value, which accounts for 46 percent of the overall military score. With such weighting, if the number one defense strategy is to secure the United States from a direct attack, wouldn't it make sense to ask questions such as I have suggested to you before to gauge the military value? The 131st Fighter Wing is an alert site in a geographically strategic location and would have scored high using these criteria.

How can military value be judged without looking at a base's location within the continental United States and its ability to accomplish the homeland defense mission? From my perspective value has been equated to requirements -- has to be equated to requirements as well as capabilities.

Military value number two deals with the condition of the base's infrastructure. Questions used to determine the unit scored dealt with ramp area, runway dimensions and hanger capability. With the weighting of military value two equaling 41 percent of the total score, shouldn't the question be tailored to defense strategy? For instance, wouldn't

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questions regarding infrastructure to support alert missions, response take-off time, and determining the number of runways available for alert operations be more suitable questions to ask? Had these questions been asked, the 131st Fighter Wing, with its existing alert site, its munitions facility and site plan would have maximized military value number two score.

Lambert's infrastructure is capable of supporting the alert mission and has already done so in the time that it has been on 24/7 military alert.

Military value number three, weighted at 10 percent, addresses the ability to accommodate contingency operations. Air National Guard bases are typically set up as follow-on operations to support active duty components and not set up for the initial wave of mobility processing. The 131st Fighter Wing has been tasked for various contingencies and worldwide deployment and completed those operations successfully every time that it has been called upon.

In addition, Lambert is located at one of the largest international airports in our country. The City of St. Louis and citizens have always answered the call and have been willing to provide the flexibility required to conduct all operations.

The questions used in determining military

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value three did not measure the true capability of the unit's contingency operation capability. The BRAC recommendation report recites in part, "The analytical focus was not on fungible assets like assigned personnel or portable nonpermanent equipment." These are aspects of units, not installations.

Stated another way, military value is a function of an installation's inherent and organic characteristics, not the characteristics of the units currently based there. However, in the National Guard, personnel are not fungible but are rather the foundation of our community-based organization.

In an all-volunteer force, the surge capability of the National Guard to perform missions demanded by our national security strategy are essential. Protracted conflict produces greater reliance upon the National Guard and Reserve. Recruiting and retention are essential to success. Experienced retention cannot be duplicated in the active duty. As has already been pointed out to you, there's a vast amount of experience currently resident in the 131st and that renews itself because pilots who have previously been on active duty come to the Guard and Reserve and maintain their proficiency in the Guard and Reserve. I suggest to you that surge

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encompasses not only the ability to house, but also the ability to generate experienced force sufficient to meet the warfight.

Military value number four addresses the cost of operations and manpower and is weighted a mere 2.5 percent. Although the questions used to determine military value were valid considerations, military value four still did not capture the true cost and manpower factors. For example, the 131st Fighter Wing's cost of operations were never taken into account. Others before me have already itemized to you the efficiencies resident in the 131st. I will not recite those again to you at this time. However, I ask you, why are we realigning the most efficient unit? Savings are obtained by leveraging our capability and experience of Air National Guard members, not by eliminating them.

The 131st Fighter Wing also utilizes joint runway and avoids all costs associated with operating a runway. These costs include fire protection, air traffic control and personnel and capable managers. In fact, the City of St. Louis has leased to the State the land which the wing currently utilizes for two cents per year through the year 2023. Additionally, the wing has limited infrastructure overhead. This

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avoids hospital costs, building upkeep costs and base housing costs that are necessary for an active duty unit.

What we have here are subcriteria that do not adequately address the needs for homeland security nor adequately reflect the value of the 131st Fighter Wing and its cost efficiencies. It is my opinion that the decision process was flawed and I urge the Commission to take a detailed look at how these recommendations were reached. In particular, although military value is expressed in the BRAC selection criteria, the assessment was entirely subjective in the eyes of a review committee which did not contain representation by Title 32 National Guard officers.

In summary, with newly constructed alert facilities, the 131st Fighter Wing has the capability to continue to contribute to the homeland defense mission. The base was indeed given a low military value, however, the questions asked did not reflect its actual value to the military, nor do they address any contributions to homeland defense mission. If you were to look at the 131st Fighter Wing's real military value and apply military judgment, I believe you will arrive at the conclusion that it is located in a strategic section of the country. It is efficient to

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operate and serves our country with superior aircraft in the heartland.

Thank you. I appreciate the opportunity to present these concerns to you.

COMMISSIONER GEHMAN: Thank you, Jim.

CONGRESSMAN AKIN: Thank you so much, General. We started from going all the way to the President of the TAG all the way from Nebraska, now recently to the general -- Adjutant General here in Missouri; now we're going to actually go to Colonel Mike Brandt of the 131st Fighter Wing, and he is in charge there. Colonel Brandt.

COLONEL BRANDT: Good morning, Commissioners. I want to thank you for the opportunity to talk about the 131st Fighter Wing, its mission and our capabilities. As commander of this historic fighter wing it should come as no surprise that I am terribly disappointed to see a BRAC recommendation that takes our aircraft. It should also come as no surprise that I am very passionate about this unit, the people, and what we do. I don't know if I can represent a unit 82 years old in eight minutes without passion, but I will try. I will put aside my passion and talk about the mission of the 131st Fighter Wing and how it protects the critical

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infrastructure in the heartland of America.

To that end, let's examine the current disposition of the Air Reserve component F-15s and F-16s across the continental United States and Hawaii. What you're seeing depicted here are the F-15 units in blue, the F-16 units in green. Note that not all of these units actually sit alert. The size of the circle is based on the BRAC recommendation of 108 miles in a 20-minute response time at .9 Mach. The small hatch circles are the training bases.

This next slide we see the F-15 and F-16 units after BRAC. Notice the gap in coverage in the heartland, as well as other areas. The yellow circles represent proposed alert detachments at bases that were formerly wings but are having their airplanes removed, but an alert detachment will remain. Those are Portland, Duluth, Ellington, at the bottom, Texas, and Bradley, which will come up for Otis, which is going down. Once again, only some of the bases here actually sit alert. This map focuses on the area around St. Louis and represents the area of operations for the 131st Fighter Wing. The unit ring depicts the 20-minute scramble response time, once again, the 108 nautical miles as used in the BRAC report. In addition there are rings for a 30- and 40-minute

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response. The metropolitan area represents a population of nearly ten million people, not including the smaller cities and towns throughout the area. These metropolitan areas are some of the largest cities in America, including St. Louis, Cincinnati, Indianapolis, Nashville, Memphis and Louisville. Almost 10 million people. The confluence of the Missouri, Mississippi and Illinois Rivers occurs just above St. Louis. The Mississippi has a lock and dam system to allow extensive barge traffic. The banners shown here indicate the lock and dam system.

Next slide. Of particular interest is lock 27 located at St. Louis. You may have seen it when you flew into the airport. Construction of the lock began in 1946 and was completed in 1953 at a cost of $40 million. If this lock was rendered unusable, the consequences would be catastrophic. There aren't any detours around a disabled lock.

Now we highlight the key military facilities. Scott Air Force Base is located 27 miles to our east and is a headquarters for the Air Force's Air Mobility Command and the U.S. Transportation Command.

Fort Leonard Wood is located 133 miles southwest of St. Louis and is the home of the Maneuver

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and Support Center, U.S. Chemical Engineer and Military Police schools, as well as the Center of Excellence for Homeland Defense and Rapid Assessment and Initial Detection known as the RAID teams. Whiteman Air Force Base, 146 miles to the west, is the only B-2 base in the world.

All across this area there are many vital industrial sites. For example, the Boeing manufacturing plant in St. Louis. This plant produces the F-15E Strike Eagle, the F-18ES Super Hornet, JDAM, Harpoon Block II, and the Stand-off Land-Attack Missile, to name just a few.

Now we have the nuclear sites within the area. The nuclear plant at Paducah, Kentucky is the only uranium enrichment plant in the country.

Calloway Nuclear Plant is located in Central Missouri and on September 12th, 2001 the 131st Fighter Wing scrambled to protect this very plant.

Next slide. Continuing now to add the arsenals as depicted with the green stars. The arsenal in Crane, Indiana is the only operational white phosphorous conversion plant in North America.

The Rock Island Arsenal is located next to the quad cities and is the largest government-owned weapons-manufacturing arsenal in the western world.

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The Lake City arsenal is next to Kansas City. It is the largest small arms, 5.56 to 20 millimeter manufacturing plant in the world. 5.56 is small arms ammunition used by our forces currently deployed in Iraq and elsewhere around the world.

The Iowa Army plant -- ammo plant is located in the southeast corner of Iowa and is a one-of-a-kind national resource that provides total munitions solutions for the defense industrial base.

Next slide, please. Next we have the major hydroelectric plants which are depicted on this slide. The closest one to St. Louis is located at Paducah, Kentucky. The rest of them are in the Tennessee Valley area.

Missouri is the crossroads of America and the gateway to the West. When we look at this map which depicts the amount of truck traffic that passes through Missouri it becomes readily apparent that the 131st sits at one of the transportation hubs of America. Missouri is the crossroads of America and the gateway to the West. Disruption of this transportation network, which funnels across a series of bridges near St. Louis, would have a devastating effect on the nation's economy and nuclear waste, which also use these same roads.

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Next slide. The good news, the 131st Fighter Wing has been performing this air sovereignty mission for nearly two years. As you can see the 131st fighter wing fills the gap in America's heartland. The 131st was asked, then tasked to defend this area by First Air Force. We protect these six metropolitan population centers, these three major military sites, these numerous critical infrastructure sites and countless locks and dams.

We want to be sure you, the BRAC Commission, understands that when this tasking was received, we did in fact modify and enhance our facilities to support the air sovereignty mission. We installed aircraft shelters, living accommodations, command and control systems, alarms and lights with some money from First Air Force, but mostly from our own funds. We don't know if the Air Force was aware that the 131st is tasked to perform the air sovereignty mission, but we wanted you to know. We accomplish this mission with the F-15C aircraft that will be remaining in the Air Force inventory for another 20 years. It is the overwhelming choice for the air-to-air mission at home or away, today and tomorrow.

In closing, the 131st Fighter Wing is tasked

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to defend a major portion of America's heartland. St. Louis is indeed the gateway to the West and the crossroads of our country's transportation systems for countless industries who are to produce key products that are essential to our nation's economy and our defense.

As a military planner and experienced combat pilot, I wonder, who will defend these assets? I wonder, who will fill the gap in America's heartland tomorrow? The answer is up to you. The decision is in your hands. I thank you for your time.

CONGRESSMAN AKIN: Thank you, Colonel Brandt. I'm just going to say we're meeting here in a school and one of the things they teach you in school is that when you perform some complicated calculation you're supposed to check your work and just see if it makes sense. And I think what we're trying to say, and gotten into a little -- particularly General Sidwell got into the details that these metrics, you can come up with some lovely answer, but you've got to check your work when you're done. And you're taking one of the most efficient and some of the highest trained and the greatest human potential and you're going to say, well, we're going to somehow save money by closing the most efficient place. It doesn't

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really make common sense. We have fortunately a few minutes left here for questions, and we'd be happy to take those, or we'll proceed on to the other witnesses on -- I think the next panel is the Defense Finance and Accounting Service.

COMMISSIONER GEHMAN: General Lempke, I have -- might be a question, but it's more of a comment. You made -- if I understood you correctly -- you made a number of points and I noted them down here -- one of the points you made was that the efforts to concentrate aircraft at fewer more concentrated bases may work on the active side but the statistics don't bear that out in the case of the Air Guard side. If you have studies or numbers or analysis to support that, we don't need to do it right now, but the Commission would be generally appreciative if you could help us with that. Because that's a very important point. The whole report is full of efforts to increase the PAA, not only of F-15s but F-16s and C-130s, at fewer sites to get the PAA up to 12, 18, 24 full squadrons, based on the -- based on the assumption that more aircraft and fewer sites is more efficient. And so if you have numbers to the contrary, I think this Commission would be very interested in that. Did I understand you correctly?

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MAJOR GENERAL LEMPKE: Yes, sir, you did, and there are two -- maybe two aspects in responding to that. My understanding is there is an Air Force analysis that goes into that, which we have not yet seen, and we hope to soon, which addresses optimum -- what they call optimum PAA for both the Air Force and the National Guard. We can find information for you that will indicate that the incremental improvement in cost savings as a result of increasing fighter size of a unit is minimal at best, which may not be offset by the cost of moves and other factors.

COMMISSIONER GEHMAN: That would be helpful.

MAJOR GENERAL LEMPKE: Airlift probably need to stay where they are.

COMMISSIONER GEHMAN: That would be helpful to us. Thank you very much. Commissioners, are you -- thank you very much, panel. Very informative. And we're ready for the next one. Go ahead.

CONGRESSMAN CLAY: We are ready. And thank you for being here. First I want to extend my personal greetings to Admiral Gehman, General Turner, and my former colleague Congressman Hansen. It's a pleasure to welcome you to St. Louis. I thank each of you for your dedicated public service.

The BRAC proposal is difficult, complex and

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vital to the defense of our nation. Your final report to the President will impact thousands of working families in communities across the nation for decades to come, and I am well aware of key criteria that form the basis of the BRAC report. But to me it all boils down to three primary measurements.

First, we must make the right decisions to defend America. Facility realignments must insure that we can achieve our future mission objective and that we maintain maximum support and essential services for our soldiers.

Second, we have a responsibility to the taxpayer to insure that every defense dollar is spent wisely and yields the greatest value.

And, finally, we must consider the tremendous impact on the lives of those who serve and support our national defense structure and the communities where they live.

Of course, the St. Louis area is no stranger to BRAC. Parts of my district are still struggling to recover from the devastating loss of over 4700 jobs at the Army Transportation Command, which was closed after the 1995 BRAC. Now three recommended closures and realignments are located in the First Congressional District.

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The 131st Fighter Wing of Missouri Air Guard plays a vital role in the defense of our region. The unit has a proud history and has unique capabilities and it deserves to remain in St. Louis. The DFAS facility was created in 1996 to provide maximum efficiency for administering defense contracts. DFAS St. Louis has an excellent and highly specialized workforce with years of training and expertise that would be lost if it is closed.

In this panel we will present compelling testimony about the future viability of the Army Human Resources Center in Overland in the heart of St. Louis County. You will hear clear and convincing evidence that refutes the preliminary recommendations of the defense department. On a comparative basis, when measured against Fort Knox, the St. Louis facility excels in every key category. As you will see, there are tremendous costs of consolidating HRC at Fort Knox that have not been accounted for. Among the high cost that must be considered under a Fort Knox realignment are downgrades and disruptions to vital services that our soldiers and veterans depend on. In the broadest comparison of key factors like infrastructure, readiness, workforce capabilities, overall costs and essential community services, such as roads, public

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transportation, housing, schools and hospitals, a very strong argument can be made not only to maintain HRC-St. Louis, but to consolidate other Army personnel operations right here.

As General Turner discovered in her visit to HRC last month, this facility offers excellent force protection, easy accessibility from any part of the country and a dedicated workforce with a long tradition of public service.

Before I introduce our witnesses, I want to share a brief story from the last BRAC round. As I mentioned, in closing ATCOM it consolidated that command and Redstone Arsenal in Alabama. At the time, my father, former Congressman Bill Clay, predicted that the realignment would result in no real savings to the taxpayers because so few civilian workers would relocate. He was actually correct. Less than 50 percent of the ATCOM workers who were given the opportunity to move did so. The projected cost savings failed to materialize. And instead, taxpayers paid millions of dollars to recruit and train a new workforce in Alabama that was less experience and less capable. Just last week a survey of the workforce at HRC-St. Louis conducted by the American Federation of Government Employees found that only 40 percent of

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civilian employees would move to Fort Knox. The assumption that civilian workers would relocate to a community that does not offer the basic quality of life services they are accustomed to is simply false.

So on behalf of my constituents, my state, and the taxpayers of this country, please don't let history repeat itself by supporting a realignment that has no hope of accomplishing BRAC's important mission.

I thank you for this opportunity and we will turn to my first witness, who is a military analyst who will directly address the key BRAC priorities. Craig Borchelt is a graduate of the US Military Academy at West Point, served as an officer with the First Infantry Division, and currently serves as a Major in the Army Reserve. And he has just been appointed to the Missouri Military Preparedness and Enhancement Commission. I'm pleased to present Mr. Craig Borchelt.

MR. BORCHELT: I wonder if we might be able to move the easels so I can see the panel.

Commissioners, good morning. Welcome to St. Louis and the great state of Missouri. As the Congressman said, my name is Craig Borchelt and I'm a member of the Military Enhancement and Preparedness Commission. I'm also a U.S. Army Reservist. I'm

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going to take the next few minutes to examine several aspects of the recommendation to move the U.S. Army Human Resources Command to Fort Knox, Kentucky. You'll hear a little bit more analysis of the building and the facility from the GSA after I speak, but I'll give you some overview of what the GSA has to say and how I think it pertains to your overall analysis of this recommendation from DoD.

Before I proceed, let me state that our strong disagreement with the recommendation to move the Human Resources Command to Fort Knox in no way reflects opposition to the eventual consolidation of the command. Consolidating HRC functions that are currently performed in St. Louis, Alexandria and Indianapolis at one geographic location makes sense. But we believe it makes more sense to consolidate those functions here in St. Louis. The DoD recommendation to move HRC to Fort Knox deviates substantially from the evaluation criteria in that it uses inaccurate and incomplete cost data to evaluate the move.

You'll hear from the GSA about existing facilities at the Federal Records Center shortly. Mr. Brincks' statement is going to include several important facts that directly impact the cost data

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that has been submitted to you by DoD. First the Prevadale building was specifically constructed less than 20 years ago for the HRC mission. It is a modern facility with several specific features, such as independent power generation capability, secure communication facilities that are underground that allow HRC to perform the classified aspects of its mission.

Second, you'll hear from the GSA that the National Archives and Records Administration plan to vacate the current Federal Records Center by 2009. And as you'll hear from GSA that's a very important point, because it changes the complexity of the Federal Records Center and will cause GSA to declare it as excess property and eventually set in motion a process that transfers that product to the United States Army, assuming that the Army cares to continue to locate there.

General Turner, I know you had site visit to HRC recently. I hope during that visit they gave you the opportunity to go to the underground facilities to look at the power generation capability and some of the other things that I talked about. I also hope that they gave you the opportunity to go into the narrow facility where approximately 15 percent of the

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Human Resources Command is located, to look at the specific promotion board areas, the records perms capabilities, and some of the very specific areas that are designed for that building. The Prevadale building was designed for this particular function. And it's an important thing to consider as we go forward and as I continue with my remarks.

Due to these site annual lease savings of over 31 million in support of its recommendation to relocate HRC, of this amount 9 million can be attributed to the GSA lease facility in St. Louis, and 22 million, over 70 percent, to the civilian-leased facilities in Alexandria and Indianapolis.

Consolidation of the command in St. Louis will result in immediate savings of $22 million, and the full $31 million will be realized when the Federal Records Center is vacated by NARA, declared excess and transferred to the Army.

You will find that in the DoD analysis, there's no mention of the NARA transfer of a facility and, in fact, the Army made very little, if any, effort to talk to the GSA to even determine the other entities at the Federal Records Center or what their future plans are.

DoD also sites a one-time cost avoidance of

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over $30 million. Costs and mergers as a result of DoD's evaluation at the current HRC lease facility do not meet antiterrorism force protection standards as defined by the Unified Facilities Criteria. Of this amount, $12 million can be attributed to the existing HRC facilities in St. Louis. Today we've been unable to obtain the site evaluation used by DoD to classify the security of the St. Louis site. But we note that the Federal Records Center is located within a secure perimeter and is currently compliant with several provisions of the USC4-10-1.

In the covert evaluation, DoD applied a cost avoidance model that used a standardized cost of $28.28 per square foot for building security upgrades. This standardized cost computation, while convenient, fails to take into consideration the secure measures that may already be in place at specific locations. We believe that the cost to upgrade the Federal Records Center into compliance with USC will be substantially less than the $12 million cited by DoD. You should note that even if you assume that the full -- you accept the full $12 million figure used by DoD, consolidating the command here in St. Louis will still result in a savings of over $18 million as the Alexandria and Indianapolis sites won't need to be

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upgraded. And that is over 60 percent of the total. Cost savings of about 30 million as cited by DoD.

It's really difficult to accurately assess the costs of the DoD recommendation to move HRC to Fort Knox unless you look at the cost associated at Fort Knox. Now you've already heard from Senator Bond and Senator Talent about the concerns about the facility that will be used at Fort Knox.

There's no real cost of building a facility included in the COBRA analysis provided by DoD. DoD has no data that suggests there is adequate space to accommodate the command when it relocates, and even the Army or DoD can't provide any of us with the specific location planned for the command. The reason they can't do this is because there's been virtually no assessment of HRC facility needs in comparison to Fort Knox.

In the last week or so Senator Bond obtained a note from a BRAC assessment meeting that took place at Fort Knox on June 8, 2005, and we will submit this for the record. That meeting occurred 12 days ago, and more than three weeks after DoD issued its recommendation to your commission.

As the note clearly indicates there has been no effort to identify which, if any, existing

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facilities at Fort Knox can be used by gaining the units. A three-star general actually says, "We need to figure out what, if any, facilities can be used at Fort Knox and we have to determine how many buildings we're going to need to build in the future."

It's important to remember that Fort Knox is a training installation. It houses the Armored Training Center. When that facility and that unit moves out, there will be space vacated. But those will be troop billets, company boiling rooms, battalion brigade headquarters. This installation has never had a mission to house an administrative headquarters with over 3,000 personnel. I have been there within the past six weeks and I will tell you there is not a facility on that installation that will hold 3,000 people and meet the criteria established by HRC.

Given the cost of Prevadale building in 1986 and the need for a larger facility at Fort Knox we estimate the total military construction costs will be well in excess of $60 million. Probably 100 to 120 million dollars.

No costs for construction of any facility at Fort Knox are included in the DoD COBRA analysis, which really makes the overall MPV analysis of the

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relocation recommendation unreliable. As you review the COBRA data I hope you'll also note the DoD never ran a comparative analysis to determine the MPV of collocating the command here in St. Louis as opposed to moving it to Fort Knox. It appears that Fort Knox was decided on and the numbers were generated to justify the Fort Knox recommendation.

We must look at alternatives in this process and as I think you'll see when you look at the facility in St. Louis, the space that's available there -- as the GSA will tell you, there is about 15 to 20 percent of additional space available at the St. Louis facility -- you'll see that the cost recommendation given to you by DoD for this particular move is not -- is not in accordance with their recommendation. It doesn't warrant the move to Fort Knox.

What's especially concerning to us is the DoD never really bothered to really research the site in St. Louis. And you can tell that by stopping in the GSA and asking the GSA has anyone ever come to you and asked you what the status is of the record center. The record center is part of the overall com -- or, I should say the National Archives and Record Administration, NARA, is part of the overall complex

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of the Record Center. Their involvement with that site is critical. And not to consider that in the course of the overall recommendation, really makes the recommendation suspect.

But let me end my discussion of Fort Knox with a request. You're all on this panel because you have extensive military and government experience. I hope you'll use that experience to go look at Fort Knox. When you perform your site visit ask the Army leadership, the garrison commander at Fort Knox, when you go there to show you the facility that Human Resources Command will be located in. If they show you a building -- as I've said, we've not been able to determine any building, but whatever facility you might be shown, I hope you'll look at that, examine it in detail. What type of IT infrastructure does it have? What type of conductivity? What type of security does it have? Does it meet the HRC mission and compare that facility with the new facility here on Page Avenue that was built within the past 20 years and constructed from the ground up specifically for the HRC mission?

The DoD recommendation to move HRC to Fort Knox deviates substantially from the evaluation criteria in that it does not consider the specialized

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capabilities of the St. Louis workforce in handling reserve personnel issues. And this is a recurring theme that you're hearing from us. You've heard the 131st talk about how the experience and quality of their pilots was really not considered in that recommendation. Here again, the workforce capabilities of the St. Louis site apparently were not considered in the recommendation to move.

Performing reserve personnel functions is a complex task. I'm an Army Reserve Major, as the Congressman said, and my duty location is at the Human Resources Command St. Louis, and I can tell you from my experience there, the past two years that I've been stationed there, the personnel functions required to support and mobilize our nation's reserve forces are both complex and not easily transferable. HRC performs several critical functions in both peacetime and wartime, and a disruption of the services would negatively impact the use of our reserve forces.

Certainly we can build a facility at Fort Knox. And we can move the command to any location in the country. But when we do that, we will lose a very capable, very experienced and, in some ways, an irreplaceable workforce with decades of experience that exists here in St. Louis. Before we do that, we

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should think long and hard about the readiness implications of that decision, especially at the time that we have over 200,000 reservists mobilized -- probably the largest single reserve mobilization since World War II.

Let me conclude by saying DoD varied substantially from the evaluation criteria when it recommended moving HRC to Fort Knox. The cost data, I've already said, that was used to support the recommendation, was flawed in that it did not reflect the cost of constructing a new facility at Fort Knox to host a command of 3,000 people. The COBRA analysis also failed to consider the alternative of locating the consolidating command in existing facilities in St. Louis, an option that realizes most of the cost savings specified by the Army's recommendation but results in a substantially lower cost to the government.

From a readiness perspective, the recommendation does not even mention the unique skills possessed by the St. Louis workforce, skills essential during a time of war when our nation faces increasing reserve mobilization requirements.

There will be a gap in skills as positions are relocated and employees are left to remain in the

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local area. Even if every position that is transferred from St. Louis to Fort Knox is filled by a worker here in St. Louis, there will still be a gap of experience at Fort Knox. And that is something that must be considered when we look at force readiness.

But let me close in saying one thing. You all are very experienced individuals, and you've had experience at command control facilities. You've had experience in leadership positions throughout the government. It's very easy to get buried in statistics of evaluations that you have to wade through, to look at the COBRA analysis, to look at the net present value. I hope at some point that you'll pull away from the statistics for a moment and look at what makes common sense. What makes sense for the future of the military, for the future of the Human Resources Command. If you compare the facility at Page, you compare the workforce capabilities, you compare the facility that exists there now with the proposal to move this facility to Fort Knox, Kentucky, build a new location, move the employees, the costs associated with that move, I think you will see, without question, that it makes more sense to locate the consolidated command here in St. Louis in the existing facility than it does to construct a new one

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at Fort Knox, Kentucky. Thank you very much.

CONGRESSMAN CLAY: Thank you very much, Mr. Borchelt, for such compelling testimony.

Our second witness is an expert in facilities, building stability, efficiency and real estate management. He currently serves as the Director of Portfolio Management for the Heartland Region of the General Services Administration. I'm pleased to present Mr. Michael Brincks.

MR. BRINCKS: Thank you, Congressman Clay. Good morning, Mr. Chairman and Honorable Commissioners. I'm pleased to appear before you to discuss the impact that relocating the Army Human Resources Command will have on the Federal Records Center. As an executive agency of the government, GSA serves as the manager and landlord of the Federal Records Center in Overland, Missouri. In addition to discussing the impact, I would also like to present an alternative that would continue the Federal Records Center's 50 years history of satisfying the Army's needs and potentially providing significant cost savings to the American taxpayers.

The FRC is situated on a site of approximately 79 acres. The complex includes ample employee parking. It has highly secure features such

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as significant setbacks from streets, perimeter control, and interior access control. The three main buildings directly impacted, which provide approximately 1.4 million square feet of space are summarized as follows: First, the Charles F. Prevadale building. It's the newest building on the complex containing 377,000 square foot of space. It was constructed in 1989 at a cost of approximately $40 million to house offices of the Army Human Resources Command. The GSA estimates it would cost approximately $75 million to replicate the Prevadale building today. The Army currently occupies about 75 percent of the Prevadale building. If the Army moves out, the building would be over 95 percent vacant with no real backfill potential.

The second building is building 100. Building 100 contains slightly over one million square foot of space. The main tenant is NARA, which provides record storage and access to active reserve and retired military records. The Army occupies 152,000 square feet in building 100 -- about 15 percent of the building.

Finally, the third building is building 101. It's a 52,000 square foot facility containing a cafeteria, fitness center and offices. The Army uses

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a little over one-third of that building.

To briefly summarize, then, the three buildings directly impacted by the proposed realignment contain a total of 1.4 million square feet. The Army occupies approximately 450,000 square feet or about one-third of the complex total, and GSA has no potential backfill tenant for the space at this time.

Having discussed the impact on GSA's real estate inventory, I would now like to address an alternative. At the request of Senator Bond, the Missouri Congressional Delegation and local community leaders, GSA has been asked to explore and provide feedback on the feasibility of utilizing the Federal Records Center secure location, its existing inventory of government-owned space, and the abundant pool of experienced workers as an alternate location for consolidation of HRC activities.

One question put to GSA was whether the existing facilities could accommodate up to 2,000 new employees were the Army to consolidate functions at the FRC. And, if so, what the estimated renovation cost might be. The answer to the first part is yes, the Federal Records Center could accommodate these additional employees.

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To accommodate up to 2,000 new personnel, the GSA estimates the Army would need an extra 420,000 square foot of space in addition to the 450,000 square foot the Army currently occupies. By using existing vacant space and moving smaller tenants out of the Prevadale building, an extra 100,000 square foot would be available for the Army in the Prevadale building. The remaining 320,000 square foot requirement could easily be met in building 100 where space will become available with NARA moves to another facility, as is currently planned, to meet new NARA standards.

Working closely with Senator Bond, the Missouri Congressional Delegation and St. Louis County officials, the GSA and NARA are exploring the feasibility of constructing a build-to-suit facility for NARA on or near the Federal Records Center complex.

The second part of the question was the estimated renovation cost to accommodate an Army consolidation at the Federal Records Center in the existing buildings. GSA estimates the total cost to be approximately 35 and a half million dollars.

I would also note that backfilling building 100 with the consolidated HRC function would leave an additional 366,000 square feet available for future

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expansion, if needed.

Again, the Federal Records Center could accommodate the needs of the HRC on the existing site at a potentially significant saving to the American taxpayers.

Finally, GSA was asked whether custody and control of the Federal Records Center could be transferred from the GSA to the Army. The answer is yes, under certain circumstances. If NARA vacates their current buildings, which they plan to do, the complex would have a vacancy rate of approximately 62 percent. This would make the complex a financial nonperformer, a tier three, as Senator Talent mentioned, encouraging us on behalf of the taxpayers to dispose of the facility. GSA could declare the property excess to GSA's needs, and the Army could request that the property be transferred. The Army would be required to pay fair market value to GSA unless the Office of Management and Budget waives this requirement or is otherwise directed to do so legislatively. The estimated time frame to accomplish such a transfer is approximately one year.

That concludes my prepared statement, Mr. Chairman, and on behalf of GSA I would like to thank you, the other Commission members, Senator Bond,

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Senator Talent, the entire Missouri Congressional Delegation, and all other interested parties for being here.

COMMISSIONER GEHMAN: Congressman, you only have five minutes left if you want to leave time for your governor. I recommend you let him come up and speak.

CONGRESSMAN CLAY: We have a final witness.

COMMISSIONER GEHMAN: That or the Governor.

CONGRESSMAN CLAY: Our final witness is a dedicated public servant who serves the citizens of St. Louis County with energy, integrity and dedication. I'm pleased to present my good friend, St. Louis County Executive, Charlie Dooley.

COMMISSIONER GEHMAN: Please be brief, sir.

MR. DOOLEY: Mr. Chairman, Honorable Commissioners, I'm Charlie Dooley, County Executive of St. Louis County, Missouri. I recognize that some say Missoura, some say Missouri. I can assure you we're all from the same state.

I want to acknowledge the support of the American Federation of Government Employees, District 9, and service personnel at HRC, DFAS and USDA offices here in St. Louis. We thank them for their hard work.

We also want to thank our congressional

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delegation -- Senators Bond and Talent, Congressmen Clay, Aiken, Carnahan -- for arranging this hearing and presenting our case to maintain these operations in St. Louis.

We agree with the Army's decision that consolidation will maximize manpower and cost savings. My job today is to talk about why consolidation works best in St. Louis.

I will focus on three points that go to the heart of DoD's review criteria on the BRAC.

We have an experienced and ready labor force.

Second, we have a community infrastructure. There is no need to build facilities, housing, roads or hospitals.

And, third, the space and buildings are ready at little or no cost to the Army.

First, regarding the workforce, military records management has been a part of the St. Louis community for 60 years. They have served generations of soldiers and their families in times of war and peace. On average, the workforce at HRC-St. Louis has 15 to 20 years experience in personnel actions and records and management.

Their duties require a seasoned

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understanding of a total Army -- the laws, the regulations and the procedures of the personnel system. They work with soldiers throughout their career to provide help with professional development, appointments, assignments, and all levels of procedure and training required for soldiers on standby and reserve.

This experience is vital as forces are shifted, soldiers are mobilized, and when they return home it is vital to more than 200,000 active Army Reserve forces, 30,000 of which are deployed in Iraq today. The Army proposes to move 871 civilian positions and 274 military positions from HRC-St. Louis to Fort Knox. Surveys of the workforce report that less than half those offered the chance to move will do so. They make these decisions because of concerns for their families and connections to their community. Loss of this workforce will leave an enormous gap in skills needed to process essential personnel actions during wartime.

This workforce is not readily replaced through recruitment and training. Strict hiring rules at HRC require at least one year prior records experience along with four years higher education or combined work and training experience for jobs at the

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GS-4 level and above. Most positions at HRC-St. Louis are trained and most of them are GS-6 and above requiring a minimum of five years training and experience. If these experienced staff are lost in the move to Fort Knox, the cost of training and operation will increase.

Second, on the community infrastructure, the BRAC report identifies a lack of essential community services and Fort Knox could impact manpower as well as cost of operations. This is not the issue in St. Louis. We offer a clear advantage to providing infrastructure necessary to support forces, mission and personnel.

We excel in critical areas of educational attainment, labor force, housing and healthcare availability.

The St. Louis labor force pool is 14 times larger than the labor pool in Fort Knox. 202,000 people in St. Louis County, 35 percent, hold a bachelor's degree or higher, compared to 14,000 people, 15 percent, in Fort Knox.

Physicians, hospital beds and accredited childcare services are superior and accessible. Five tier one trauma service hospitals are within 12 miles of HRC-St. Louis, compared to one trauma center 40

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miles from Fort Knox.

Finally, facilities, which are perhaps most important. The Federal Records Complex in St. Louis is able to align in a way that will save millions of federal dollars while reaching the Army's goal of a consolidated HRC. The Federal Records Center can accommodate 2,000 new personnel without the need for new construction. This -- these illustrations show how the St. Louis Federal Records Complex will accommodate a consolidated HRC. We have been working with GSA since last year to discuss how we can meet federal needs within the Overland site. St. Louis County is committed to acquiring properties needed to widen the footprint and meet the federal facility needs for both agencies.

In closing, I want to thank you for coming to St. Louis today. You have a very tough job and I respect your commitment to the process and the mission of providing the best support and facilities for our military.

As a Vietnam veteran I honor your service and the services of all our military, past, present and future.

COMMISSIONER GEHMAN: Thank you very much, Mr. Dooley. And I apologize. I apologize for

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pressing you on time because I did my arithmetic wrong here. We were honored to hear from you. Thank you very much for your presentation. Any questions from the Commissioners? Thank you very much. You have a very interesting presentation and I think that we have a few minutes for DFAS. I got the governor in the wrong order. That's how I -- I think we have another presentation before --

CONGRESSMAN CLEAVER: I would like to thank you and the Commission for providing us with the opportunity to testify on the importance of Missouri's two Defense Finance and Accounting installations -- one in Kansas City and one here in St. Louis. As time is short and there is a lot to cover, I'll be brief.

As you know, the Department of Defense has recommended the closure of 20 DFAS sites around the country. While a number of people question the logic of DoD's closing these sites only a decade after they were opened, I am particularly concerned with the recommendations to close the Kansas City and St. Louis installations, both of which are the sole providers of specialized unique services to the Department of Defense, and one of which, DFAS-Kansas City, is one of the department's five large finance centers. As such, these two installations provide unique military value

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that in the time of war cannot and should not be overlooked. DFAS-Kansas City, which employs 873 people, including military personnel and contractors, is the only entity which pays the U.S. Marines worldwide.

Similarly, DFAS-St. Louis provides specialized support to the Army Materiel Command. The loss of either facility would result in the loss of years of expertise in these respective specialties.

In 1994, when the Department of Defense consolidated its 300 defense finance offices, the Kansas City site, along with four other major facilities, was specifically spared. At the time DoD officials said that this was because, and I quote, "They are the nerve center of the Department of Defense's financial operations."

Furthermore, John Deutch, the Defense Department's secretary at the time -- I'm sorry, Deputy Secretary said, and I quote again, "Moving them would mean regular customer services would suffer unacceptably."

I would respectfully suggest to the Commission that the situation is no different today. Closing either the Kansas City or St. Louis DFAS would cause customer service to the Marines or the Army

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Materiel Command respectively to suffer. And as we are presently at war, with our troops depending on our support here at home to complete their missions, this would be incredibly irresponsible. Closing either the Kansas City or St. Louis DFAS would reduce our nation's military capacity, harm national security and jeopardize timely payments to the Marines and the Army Materiel Command.

The Department of Defense has justified these closures by claiming that it would save $120.5 million, but it is my understanding that the cost of closing both the Kansas City and St. Louis DFAS office will exceed projected savings during the entire BRAC period -- fiscal years 2006 through 2011.

DFAS-St. Louis will cost $9 million to close, and savings will only be 6 million in these years, while DFAS-Kansas City will cost $17.3 million to close, and result in savings of only $7.3 million over the same period.

When considering the high price we will pay in the military readiness and security, these paltry savings are hardly sufficient to justify closing either the Kansas City or St. Louis DFAS.

Miss Dull and Mr. Weller will further elaborate on these points and on the value provided by

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Kansas City and St. Louis DFAS installations.

I thank the Commission for their attention and urge you to reconsider the proposed closure of the Kansas City and St. Louis DFAS offices. Miss Dull.

COMMISSIONER GEHMAN: Thank you very much. Go ahead.

MR. WELLER: It is indeed an honor to have an opportunity to address such a distinguished Commission and audience. AF GE Local 905 represents over 300 bargaining unit employees. AFGE Local 905 is the exclusive representative organization for DFAS-St. Louis and also represents U.S. Army Security Assistance Command collocated within DFAS-St. Louis.

AFGE Local 905 has over 50 percent voluntary dues-paying members through payroll deduction. This is considered very good and just means we have the support of the employees. AFGE Local 905 has been in existence since the field site opened in 1996 and is a partner with management in the operation of DFAS St. Louis.

AFGE Local 905 supports reasonable efforts to economize and increase efficiency.

The Union has partnered with management to reduce the floor space in building 110, which is our site, by moving out of the basement and consolidating

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virtually all of the accounting business line on the second floor.

We have further worked to cut costs with the reduction of paper by use of the Scanning Documents Initiative.

AFGE Local 905 works hard to support our men and women in military service and the war on terror.

My message from this point on is all DFAS sites are not created equal. The BRAC commission one-size-fits-all in the closing of 20 sites is not appropriate.

Standard Operation and Maintenance Army Research & Development Systems, SOMARDS, is our primary accounting system and is unique to the Army Materiel Command, which we support. This includes the Tank Automotive Command, Communications and Electronics Command, the Research and Development Command, the Rock Island Arsenal, the Aviation Command and the Missile Command. It also includes nine PEOs, Program Executive Offices. "If a soldiers eats it, wears it, rides in it, flies in it or shoots it, it came from AMC." We are the ones who manage contracts and make payments for such things as the armor upgrades for the Humvees in Iraq and Afghanistan. SOMARDS requires highly specialized training. We have

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years of experience that would be lost if this site was closed.

Because SOMARDS requires unique talents to make it function, the Centralized Directorate of Information Management, CDOIM office was created. Once again, this expertise will be lost if this site is closed.

SOMARDS requires national language markups to make changes which is the responsibility of our systems accountants. These positions require a year in order to be fully trained. SOMARDS requires OJT training. There is no formal course training for this. While there are plans to modify SOMARDS, there is no realistic near-term plan to make this happen.

The General Funds Enterprise Business System, known as GFEBS, is scheduled to replace SOMARDS, however, best estimates are more than two years away based on expert testimony from DFAS headquarters during a site visit. While we support system upgrades, we must be cautious with SOMARDS. We should have learned from our experience with the Logistics Modernization Program known as LMP, and the Defense Procurement Payment System, DPPS. LMP has been in the making for five years and still has enough flaws that our customers don't want to use it. DPPS

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had to be scrapped altogether after spending $16 million in testing.

Disruption of these SOMARDS processes may create great turmoil in the near future, a time when we can least afford it because of the current war efforts. Closing this site before SOMARDS is replaced simply is putting the cart before the horse.

Counting USASAC and contractor employees from Kelly and BearingPoint we have close to 400 people directly affected by the closure of this field site. Further, over 2,000 DoD jobs are being closed out within a 10-mile radius of DFAS in St. Louis. Under the last BRAC, 4,500-plus employees, DoD jobs, were lost within the federal center complex, which is where we work. The Aviation Transportation Command was moved to Alabama. There will be virtually no DoD jobs left in the St. Louis area after this BRAC.

St. Louis is still recovering from the last BRAC with ATCOM because of the economic impact and loss of jobs in the area. We have spent a great deal of time, not to mention money, to make LMP function properly. This is a $40 million contract. LMP is a one-of-a-kind system where expertise will be lost with closure.

After winning the A-76 contractor versus

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government job competition for foreign military sales, the field site established the most efficient organization, which will no longer be feasible with our closure.

We have a successful working partnership with the U.S. Army Security Systems Command which is collocated with us. This relationship will no longer exist if the site is closed.

Our vendor pay and travel sections are second to none. We are concerned about strategic redundancy when consolidating into too few sites. While we may not need 20-plus sites, is three too few? Are the cost savings what we anticipate because of the --

COMMISSIONER GEHMAN: We're going to have to leave time for the last speaker here and you're out of time.

MR. WELLER: How much time do I have?

COMMISSIONER GEHMAN: The panel has about five minutes left. Can I ask you to wrap it up?

MR. WELLER: My main point is we believe that we should be reconsidered at future BRAC, but at the very least we feel it would be irresponsible during our current war efforts to at least not make a footnote to close DFAS-St. Louis until -- not until

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after SOMARDS is replaced. Thank you for your time.

COMMISSIONER GEHMAN: Thank you very much.

MS. DULL: Thank you for hearing me today. My name is Kelley Dull. I am the local president of AFGE Local 2904 in Kansas City, Missouri. We represent over 800 bargaining unit employees to include the Marine Corps Mobilization Command at Richards-Gebaur. We've been in assistance and worked closely with the Marine Corp since 1967. AFGE Local 2904 supports reasonable efforts to economize and increase efficiencies. We currently administer two MEOs, Most Efficient Organization, which will run through A-76 competitive procedures and are part of multisite functions.

We are also currently engaged in streamlining waste inefficiencies utilizing Lean Six techniques. We currently have 873 employees, counting contractors and militaries at the DFAS-Kansas City site.

Next slide. The U.S. Marine Corps -- that's who we serve. And you can see the breakdown there.

Next slide. Okay. We process 7.3 million pay transactions to 231,000 active duty and reserve Marines. We make 280,000 travel payments. We pay over 165,000 commercial invoices and process over one

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million accounting transactions each year. We account for 37 active duty appropriations of allotments that average approximately 480 monthly reports.

Our DFAS systems that we administer on behalf of the U.S. Marine Corps are the Marine Corps Total Force System, the Standard Accounting, Budgeting and Reporting System, Remote Access Pay Transaction Reporting System, the Marine Corps Automated Settlement Sheet Process, Document Tracking Management System, among others.

AFGE and the employees we represent take our jobs very seriously in supporting our Marines. Many employees are former Marines who understand how critical our service is to the Marines and their families. The employees within DFAS-Kansas City are the only entity with the expertise to administer the Marine Corps Total Force System, which is the only integrated pay and personnel system for all of the services.

The DFAS-KC office has consistently performed in an outstanding manner, meeting or surpassing all goals given to them.

What is MCTFS? As I said, MCTFS is a fully automated integrated pay and personnel and training system, which is the only one for all of the service,

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pays the active, reserves, retired, civilians and other services. MCTFS manages more than 498,000 marine records. It processes in excess of 17 million transactions yearly. It processes an average gross payroll of 238 million per semimonthly pay period, totaling 5.2 billion annually.

MCTFS paid all active duty and reserve Marines on time with a 99.92 and 99.83 percent accuracy rates respectively for fiscal year 2004. So far this year, we are at 100 percent accuracy rate.

MCTFS manages the personnel strength. DIMHRS, which is being created, does not yet do this. It manages and tracks training. DIMHRS does not do this. It sustains personnel, supports the quality of life and performs the military personnel and pay administration functions.

The finance community includes the accounting, budgeting and pay specialist, and works hand in hand with the Marines.

Value to the military: As evidenced by the customer satisfaction surveys done each year, the Marine Corps Total Force System and the Kansas City site are consistently rated highest among all of the services for the customer services provided to the Marine Corps.

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The out-of-service debt ratio is the lowest of all services at a rate of 1.77 versus the Army rate of 27 percent. Payments made to the Marine Corps are, as I said, at an accuracy rate of 100 percent.

MCTFS recently received the top five Department of Defense program awards from the National Defense Industrial Association.

In Kansas City we currently have experienced personnel working with DoD to create DIHMRS and a compatible pay system.

Many of the figures -- next one. Many of the figures used in the BRAC closure recommendation are suspect as the estimated cost was $16 per square foot for the Kansas City site when GSA tells me the figure is closer to $9 per square foot.

Estimates to move the Kansas City personnel out exceeds $17 million. And the recommendation states that there is no possibility of expansion while GSA also tells me that they will soon have availability of over 600 square feet.

Additionally, I am told that the DFAS-Indianapolis site does not have enough space to accommodate the recommended moves or hires that need to be done. DFAS will have to lease additional commercial space.

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Additional concerns regarding the salability of the DFAS space as we are collocated with the National Nuclear Security Agency, and we are very good cotenants.

COMMISSIONER GEHMAN: Thank you very. We have your papers there and we will take all those points. Those are very, very good points and we thank you for helping -- bringing them up. We will look into them.

CONGRESSMAN CLEAVER: Thank you, Mr. Chairman.

COMMISSIONER GEHMAN: Thank you very much. Good morning, Governor Blunt. You were not here when we swore the panel, so we would like to swear you in at this time.

GOVERNOR BLUNT: I was.

COMMISSIONER GEHMAN: You were? Then there is no need to be sworn in twice. Once will do it. The floor is yours, sir, go ahead.

GOVERNOR BLUNT: Thank you. Commissioners Gehman, Turner and Hansen, Members of the Congress, other Governors and state and local representatives, military experts and witnesses, welcome on behalf of the people of Missouri to St. Louis. Thank you for participating in this important regional hearing

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regarding the Pentagon's proposed Base Realignment and Closure Recommendations.

Let me say at the outset of my testimony that I recognize the extremely difficult decisions that the BRAC commission is facing. I wish you all the best as you evaluate the Pentagon's recommendations and proposed modifications and changes as appropriate.

Through my service as an active duty officer in the United States Navy, I know the BRAC process significantly impacts the lives of soldiers, sailors, airmen and Marines in active duty, in the Reserve and in the National Guard.

There are many factors that I believe the Commission must consider before you make final recommendations, as you fulfill your important and critical role. Indeed, you've heard from Senators Bond and Talent, Congressmen Aiken, Clay, Cleaver and military experts about important information regarding recommended closures and realignments in Missouri.

You've heard convincing arguments detailing why some of the recommended decisions for Missouri may run counter to the national security interests of the United States, and contrary to the purposes of the BRAC process. Our ultimate responsibility is to

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protect the American people. Our military is charged with carrying out this duty. And as we move forward with this important process, we are obligated to make the right decisions. We accept the requirement to close or realign bases in the state.

I urge you to thoughtfully consider the recommendations with regard to the 131st Air National Guard Wing at Lambert, the Army Human Resource Command Center in St. Louis and the Defense Finance and Accounting Service. In each case we must be certain that our military and American taxpayers are being best served by the adoption of these recommendations.

As we reflect on the information that Colonel Brandt provided, which clearly depicts a hole in the protection of our heartland and its critical infrastructure, I'm greatly troubled. I'm confident that my colleagues, Governor Fletcher of Kentucky, Governor Daniels of Indiana, Governor Bredesen of Tennessee, share my concern.

The Air Force uses many criteria and subcriteria, then weigh them in its recommendations. But I question if the formal process correctly determined what force structure must effectively defend the homeland and in particular the heartland.

I believe that when examined thoroughly, you

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will find the Air Force subcriteria were flawed and lacking inclusion of critical homeland security needs. I agree with the Air National Guard Adjutants General who say that the failure of the Air Force to include the Air Guard input into their BRAC recommendations led to a disproportionate loss of Air Guard units, including the 131st.

I also object to the fact that neither myself nor my Adjutant General were consulted. You, no doubt, have heard from several of my fellow Governors that feel the same way.

Consequently, I urge the Commission to carefully evaluate the June 30th hearing in Atlanta, the validity of the decision-making process leading up to its final recommendation by the Air Force concerning Air Guard units. 9-11 taught us that today's threat is no longer just an external threat puncturing our national borders. The threat we face is an unpredictable, asymmetrical attack intended to weaken our economic and military capabilities and inflict massive casualty on our civilian population.

We must be prepared to defend against that threat and future threats any time and at any place. As we speak today, the 131st is protecting many critical defense installations, including Whiteman Air

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Force Base, Fort Leonard Wood, and Scott Air Force Base. The 131st is also currently protecting industrial sites depicted in Colonel Brandt's testimony, including the Calloway Nuclear Power Plant, the Boeing plant in St. Louis, the Paducah Gaseous Diffusion Plant, which conducts uranium enrichment, as well the large civilian population centers such as Kansas City, St. Louis, Chicago, Indianapolis and Memphis.

The BRAC recommendations stress the use of air sovereignty alert sites which requires specific response capabilities. The 131st Fighter Wing is equipped with the F-15C, arguably the best fighter for homeland defense. When requested by higher authority it has provided ASA level support.

To meet the mission requirements of its ASA task, the 131st spent over a million dollars of its own budgeted funds to upgrade ASA required infrastructure. Why stand up new ASA sites when the 131st has the capability and has demonstrated the ability to effectively protect our armament?

The proposed plan is particularly troublesome because it is projected to yield a cost savings of over $1.4 million. And who will meet the heartland's defensive needs when these fighters are

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gone? The Air Force has stated that enclaves will be created to assist governors with their homeland defense mandate. Yet this concept has not been clearly defined. What capability and roles will these units -- what capabilities and roles will these units have? Are enclaves equipped to effectively carry out homeland defense missions? Why is an enclave preferable to closing a facility and allowing the city to redevelop the property? These questions must be clearly answered before we adopt this new force structure policy.

Realignment of the 131st Fighter Wing may look fine to some on paper from a distance. But as governor of Missouri, I need to know the answer to the question, who will protect the critical infrastructure and assets when the 131st is gone?

With regard to Human Resources Command-St. Louis, we agree that the consolidation of these facilities is necessary and is in the best interest of taxpayers. However, we have questions regarding the creation and construction of a new 60-plus million dollar facility at Fort Knox when there is a recently built mission-specific facility already in operation here in St. Louis. As the HRC-St. Louis panel discussed, consolidating the three centers into the

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St. Louis facility makes good common sense. We have a highly trained and experienced workforce. Personnel record specialists. The facility has undergone -- is an underground command center. Secure communications and surrounding support community that can accommodate growth. The geographic location of the center makes it easily accessible for Army personnel.

The Defense Finance and Accounting Services are also important facilities that are well-situated in our state. The cost of moving from their current locations and the underutilized buildings will be left behind should be reconsidered as important factors. The loss of human capital is also an important consideration, as many will choose not to move in order to retain those positions. This will be significant loss of knowledge and expertise. I understand the desire for consolidation of similar functions, but I believe you should carefully examine all the implications of this decision.

In conclusion, I want to thank you for your attention today and for allowing us to present our concerns. Also want to thank all of the witnesses that have testified here today, and particularly Senator Bond for his efforts in coordinating this hearing.

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I recognize the importance and value of the BRAC process. However, I want to make certain that the BRAC process fulfills its intended mission while creating a force structure compatible with defending the homeland against current and future threats.

As governor of Missouri, I obviously hope that none of our facilities in our great state would be closed or realigned. Disrupting the lives of thousands of hard-working Missourians, I have particular concern with the recommendations impacting the 131st, the Army Human Resources Command Center in St. Louis, and the DFAS. Our state and the nation may not be well served by the decision to close or realign those facilities. I know that you all take your mission seriously. I respectfully ask the Commission to review the information provided here today, including Colonel Brandt's critical infrastructure vulnerabilities presentation, while carrying out your duty and making the right decisions for American taxpayers, our military and those they protect.

Thank you all for your service to our country and thank you again for being here this morning.

COMMISSIONER GEHMAN: Thank you very much, Governor. And to all of the speakers this morning,

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Senator Bond, Senator Talent, Congressmen, to all of you and to your staff, the BRAC Commission extends our thanks and our gratitude. We consider the localities and the communities and the states who do all this hard work in picking through this very, very complex report to be an adjunct to our staff, and we appreciate you pointing these things out.

We only have 45 analysts on our staff, but by calling all of you as part of our staff we multiplied that into the thousands. Thank you very much.

We are now ready to seat the next delegation. We're ready to move on to the next group. As required by the statute, everyone who's going to testify before this panel must be sworn. So I will turn it over to our judge here to swear you in.

(Panel sworn.)

COMMISSIONER GEHMAN: The Commission welcomes the testimony of the communities that are affected by this -- by these proposals, but in the interest of time, of course, in the interest of making sure that the seventh state that's going to present this afternoon gets adequate time, I'm going to have to be pretty strict in enforcing the time limits. In particular, opening remarks which run over will only

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cause the technical and detailed presentations later on to have to be foreshortened, because I'm going to keep each group to its allotted time. So with that caveat, we all understand that we're under time constraints. I'll turn it over to you, sir, and welcome.

SENATOR DURBIN: Admiral Gehman, thank you, very much. It's my honor to be here, to join you, General Turner, and my former colleague, Congressman Jim Hansen. We thank you for your service to our country. Some of us just left your fellow Commissioner, Sam Skinner, in Springfield where he's touring one of the affected facilities, and we thank him as well for his contribution and service. Thanks to Senator Kit Bond as well as Senator Jim Talent for hosting this. Congressman Clay, Congressman Carnahan, and all of the Missouri delegation who have opened up this opportunity for us.

A special thanks to all of our supporters from the various states affected in this panel, ours friends from the 183rd air facility who are here -- Air Guard facility in Springfield and Rock Island Arsenal, and others.

I want to thank St. Louis University as well for giving us this opportunity. You will hear

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recurring themes at this -- these many hearings that you'll attend as to what are the standards that we are guided by. It is our understanding the first standard, the single most important standard to be considered, is the military value of the facility relating to our national security.

Secondly, the process in making this decision is to be open and transparent.

And, third, when it's all over, we want to make America safer and we want to enhance our security while saving taxpayers money.

I think those are the three basic things. I think the integrity of this whole process depends on adhering to these principles. That is why we raise questions today relating to facilities in Illinois in particular that go right to the question of military value.

I need not give you the definition of military value. Many of you have lived it, and you certainly have heard it many times in these hearings. But we think in all categories, Illinois' facilities score very well. We'll demonstrate this morning that the Department of Defense has in some cases seriously deviated from its own criteria in making realignment recommendations.

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The second issue is one of process. The Department of Defense released its base closure realignment list on May 13th. It has taken weeks to secure the data that theoretically would justify that list. The effort continues. Senator Collins of Maine, the Chairman of the Government Affairs Committee, is in the process of subpoenaing the information so that we can see it. Now, it is important that we see, even more important than that you see, because you have the clock running. This base closure process is very limited in time and you have a huge responsibility. And your able staff needs the time to go through the data.

As we meet today, thousands and thousands of documents still need to be secured and evaluated that has not taken place.

A number of facilities in Illinois are affected by the proposed realignment. First, Scott Air Force Base and Peoria Air National Guard are scheduled to receive additional planes, additional people, and I can tell you that they are prepared to undertake these missions, these expanded responsibilities.

Great Lakes Naval Training Center is slated to receive heavy cuts in its workforce, which State

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Representative Eddie Washington will address.

Rock Island, though, is the first issue I'd like to discuss with you with more detail. We'd like to discuss the proposed realignment of the Rock Island Arsenal and then the Capitol Airport in Springfield.

Rock Island Arsenal is vital to our national security, and has been for generations. The Department of Defense, and before that the War Department, could turn to Rock Island with certainty that they would meet our nation's need. There were some who questioned, in recent times, whether they'd outlived their usefulness. We learned, sadly, that when it came to a tragedy facing our troops in Iraq, it was the Rock Island Arsenal that performed, and performed so well.

You'll recall the many stories coming out about the armor for Humvees. Today we still have too many of our soldiers who are being hurt and killed because of lack of armament. One of the first places the Department of Defense turned to and asked to build the equipment to retrofit the Humvees to protect our troops was the Rock Island Arsenal. The men and women there, as they have on so many other occasions, worked 24/7 to fill those contracts quickly. And in doing so, I am certain that they saved the lives of many of

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our soldiers and many who are serving in Iraq at this moment.

They've made so many things over the course of their history I won't recount them, but this BRAC Commission recommends cutting 180 jobs of the manufacturing capability of the Rock Island Arsenal. If there was ever a time that they have proven their worth, and cutting those jobs needs to be called into question, it is now. We think there's an error made in the calculations by the Department of Defense leading to that conclusion.

The second cohort of Rock Island Arsenal is administrative and headquarters. The Department of Defense proposes removing a number of these administrative functions. I think that would be a mistake. Rock Island has the space, the security and the workforce to grow. And they receive the highest marks in terms of their performance in these areas.

Key proposals include also moving TACOM, Tank and Automotive Armaments Command, transferring so-called depot maintenance work and moving the Army's top-rated human resources agency, the top-rated civilian human resources agency, to installations with lower military value ratings. When you factor in the true cost of the move, including substantial

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construction costs and higher annual operating expenses, we don't get to the bottom line savings that are supposed to be part of our calculations.

Let me say a word, if I can, about the Springfield Capitol Airport, and particularly the 183rd Fighter Wing, with the suggestion of transferring 15 F-16s to Fort Wayne, Indiana. I think this recommendation is highly questionable. Commissioner Skinner is now getting more detail as he walks through this facility, even as we speak.

The primary consideration of BRAC is supposed to be military value. However, Fort Wayne scores lower than Springfield when it comes to military value. So the starting point is not a good one. The reason cited for violating the military value principle by the Pentagon was that there is much greater recruiting potential in Fort Wayne. However -- and these men and women who have gathered on behalf of the 183rd can tell you, we have 100 percent recruitment for the air crews of the 183rd. And well into the 98th percentile recruitment for the rest of that facility. Recruiting is not an issue. But moving this facility to a new place could create a recruiting challenge. I think it's naive to believe that all of these fine men and women serving at the

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183rd will pick up and move to Fort Wayne, Indiana. That's not likely. And we will lose some of the best and bravest who serve our country through the 183rd if we are not careful.

The Air Force has substantially underestimated the true cost of the move by not paying close attention to recruiting and retention patterns. They have also projected personnel costs of this move. It only considered full-time guardsmen, not the many part-time guardsmen who make the bulk of the force.

I'm not going to go into more detail because we have others to testify, and I know how important it is to keep on schedule and spare the Commissioners from the long hours and tedious testimony that may eventually dumb their -- blunt their feelings about the whole value and importance of this testimony. But I am honored to be joined here today by my colleague in the Senate, Senator Barack Obama, and Governor Rod Blagojevich, Congressman Lane Evans as well as Congressman John Shimkus, who will be shortly -- here shortly. We will have Mayors Freemire, Davlin and Rockingham from Illinois; the Illinois Department of Commerce and Economic Director, Jack Lavin; my colleagues from Iowa, Senator Grassley and Harkin, who join us in a bipartisan, bi-state effort, talking

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about the future of the Rock Island Arsenal.

I will join you, Admiral Gehman, in trying to hold our delegation here to the 40 minutes allotted for opening statements. But 40 minutes for four Senators and two governors would set a land record, if we achieve it.

COMMISSIONER GEHMAN: It will be a miracle.

SENATOR DURBIN: I'm admonishing Governor Vilsack and Governor Blagojevich to be as extremely brief in their remarks as they can so the Senators will have more time. And so let me at this time turn it over to my colleague from the Senate, Barack Obama.

SENATOR OBAMA: Thank you very much, Senator Durbin, Admiral, and Fellow Commissioners, staff, Counsel, thank you so much for taking the time to be here.

Let me echo my appreciation to the State of Missouri and Senators Bond, Talent and Congressman Clay and other members of the delegation for hosting us.

I will try not to simply reiterate some of the points that were already made by Senator Durbin. I think that he speaks well for our delegation.

Let me just say at the outset I recognize what a difficult task the Commission has. We're in a

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tough budget spot right now. We've gone from massive surpluses to massive deficits. We've got a war that is currently taking a lot of resources from our military and putting tremendous strains on our fighting men and women. And so the necessity that makes sure that we have a military that is in fighting form and is projecting needs towards the future is actually vital. And I appreciate how difficult this job is. There's nobody in any state that wants to see any base closed, and that's why we set up the BRAC Commission.

But, having said that, I think it's also important just to reiterate the point that Senator Durbin made, that what we're interested in is making sure that with respect to our bases that the BRAC commission procedures and criteria are being followed as best as they can. That certain guidelines govern the decision-making process. And this is because these bases aren't just another line in the budget, they are also part of a community that's affected. The folks here from the 183rd can speak to the pride and collective hard work that's been put into making sure that that is one of the top facilities in the nation. Each one of these facilities employs hundreds of hard-working Americans who want nothing more than

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to serve their country and to raise their families. When these bases are closed there is a cost to them, sometimes not reported in terms of dollars and cents. In addition, I think it's also important to recognize that this entire process should result in a safer America. And if criteria have been set forward that put military value at the top of the list in terms of how we're making the decisions, then it's difficult for us to reconcile aspects of the Pentagon's recommendations that appear to not place military value at the top.

This is part of the reason why I think Senator Durbin spoke for the entire Illinois delegation when he expressed concerns about the Department of Defense's delays when it comes to providing us access to the data we need to challenge their recommendations concerning the closing and realignment of these bases. We need to know exactly why they felt that some of our most successful and accomplished bases have to be moved or eliminated so that we can at least evaluate, analyze and respond to these statements. Transparency is critical in this process. And so far, at least, we haven't seen as much transparency of the decision-making process as we'd like.

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When you look at some of the bases that are on the list here in Illinois, we think without having the benefit of all the Pentagon data that it's easy to find objections. Rock Island, as Senator mentioned has served -- as Senator Durbin has mentioned has served the nation admirably throughout the wars in Iraq and Afghanistan. The Regional Personnel Operation Center has been rated number one in military value of all DoD human resource regional sites. In recognition of its tremendous levels of service, the personnel operation center has been assigned high priority missions such as the Multinational Force in Iraq, Gulf Region Division, the Military Technician Program and the logistics assisted representatives. The Rock Island Human Resources site also serves the repository for all civilian records, yet despite its high military value, the DoD has recommended that the unit be moved.

Now, I know that our experts who are going to be speaking here today can share with the Commission just why moving these clearly high-functioning centers out of places like Rock Island don't make sense or comport with DoD mandates that adhere to military value. Similarly, DoD has recommended moving several tank and armament

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commands -- units out of Rock Island. Again, it's not clear how cost savings are going to be achieved. It appears in fact that there may be additional costs resulting as a consequence of this move.

Finally, with respect to Springfield, the Air Force has recommended removing the flying units from the 103rd Fighter Wing. This decision will leave our Springfield Air National Guard without any real air capacity. Raises significant questions regarding DoD authority that I know the Commission is going to be struggling with. But, more importantly, from everything we can tell so far, it appears in fact this will cost the Pentagon more money -- not saved money -- moving this space.

The record of performance at Springfield has been outstanding and it appears that the facility is better equipped to accommodate the long-term growth than may be necessary and meet the military's needs.

So, in summary, what I'd like to do is just make certain that we get the best data possible. That you Commissioners are getting this data from the Pentagon in a timely fashion. And we hope that we can work with this Commission to receive the sound logical and legal rationales for the department's recommendations. If those rationales are not

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forthcoming, then I would urge the Commission to reject the DoD's recommendations. Thank you so much, Admiral.

SENATOR DURBIN: Thank you, Senator. Admiral, it's my pleasure to introduce Governor Rod Blagojevich from the State of Illinois. Seven minutes remaining, they are all yours.

GOVERNOR BLAGOJEVICH: Thank you very much for having us. Senator Obama, thank you. I'll race through this since I have less than seven minutes now.

First of all, I want to say how proud I am to be governor of a state that has a long history of supporting our military members. We are a national leader in Illinois in providing benefits for active duty and reserve soldiers, airmen, sailors, and we not only honor the military service of the brave men and women who serve our country, we also honor and do the best we can to help their families.

Since I've been governor, I'm proud to say Illinois has done the following. We've created the Military Relief Fund that helps families of National Guardsmen with living expenses. We pass legislation that provides the most generous death benefits for families who lost loved ones in war. And we've helped servicemen and women attend public universities by

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giving them access to in-state tuition levels.

We are delighted and pleased that the Department of Defense recognized the value of the Scott Air Force Base and the Peoria Air National Guard Bases and did not include them on the list to be closed. But today we're here, of course, to talk about military bases in Rock Island, Springfield and the Great Lakes.

About Rock Island, first, with all due respect we believe the recommendations from BRAC to move military positions out of Rock Island is inconsistent with the Department of Defense's criteria of moving missions to installations with higher military value. The Department of Defense is proposing to move the Tank and Automotive Command to the Detroit Arsenal. However, according to the Department of Defense's own ranking system, the Detroit arsenal has a lower military rank, not a higher military value, than the Rock Island Arsenal.

The Department of Defense has proposed moving the regional Human Resources Command, which was ranked number one in value of all Department of Defense resources sites. My feeling is, if it ain't broke, why fix it?

Number two, BRAC's recommendation to move

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military positions out of Rock Island is not consistent with the Department of Defense's criteria of saving money. The moves of the Tank Automotive Command, Human Resources Command and the depot manufacturing positions will actually cost $150 million, not save any money.

In addition, I'm proud to say that the State of Illinois and the State of Iowa have both made investments -- Iowa, $200,000, matched by the State of Illinois, $200,000 -- in order to attract private businesses to the Rock Island Arsenal, which will increase revenue and lower the federal government's cost of running the arsenal.

We have attracted manufacturing, industrial supply, office space and back office functions to the arsenal.

Number three, the Pentagon's use of the data in question is inaccurate in the case of the Rock Island Arsenal. Their data suggests that approximately 700 people in the Tank and Automotive Command moving to the Detroit arsenal is the number. However, it is actually about 11 people.

With regard to Springfield and the Springfield Air National Guard, this move, we believe, is not consistent with the Department of Defense's

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criteria of moving to bases with higher military value. Our F-16s are scheduled to be moved to Fort Wayne, Indiana, a base that has lower military value than Springfield. The move is not consistent with the Department of Defense's criteria of cost saving. The Air Force's own numbers show that there will be no cost savings -- no cost savings -- for moving the F-16s out of Springfield. In fact, the numbers show that the move will actually cost $10 million. That's $10 million more than it would cost to keep the F-16 fighters in Springfield.

Number three, according to the federal guidelines, we can't protect Illinois as effectively if the F-16s are moved to Fort Wayne, Indiana. Moving the F-16s from Springfield will impede our ability to protect Illinois and vital resources that include 11 nuclear power plants that provide 50 percent of our power generation; 28 locks and dams on the Illinois, Ohio and Mississippi Rivers; and the city of Chicago, as well as cities in the Midwest like St. Louis, Kansas City and Louisville, which will be less protected and less close if the Air National Guard is moved out of Springfield to Indiana.

Next, the State is ready to support the expansion -- the expansion of the Springfield base and

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equip the base with the ability to conduct homeland security missions. The Department of Commerce and Economic Opportunity and the Springfield Airport Authority will fund an ammunition storage facility and an alert pad, which we believe can help attract the air sovereignty alert site to Springfield. Also, we believe that the Air Force has violated federal law by not consulting with us before making this decision. This is an issue that we intend to raise in federal court, if necessary.

Last, the Department of Defense's assessment of our recruiting record is inaccurate. The only reason offered by the Air Force for moving the F-16s out of Springfield to Fort Wayne, Indiana is that the Fort Wayne unit has a better recruiting record. This is not the case. Over decades the Springfield Air National Guard unit has consistently filled over 100 percent of Guard positions for decades in its recruiting efforts.

Last, on the Great Lakes Base, because I'm running out of time, I'll leave those discussions to representative Eddie Washington. But let it suffice to say we believe that base has tremendous value and that moving those missions out of Great Lakes is moving missions to bases with lower military value.

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Thank you very much.

SENATOR DURBIN: Thank you. At this point I'd like to turn it over to our Iowa --

COMMISSIONER GEHMAN: Thank you very much to all of you. And we'll look forward to hearing more from you at the end. Senator Harkin needs to be sworn.

(Senator Harkin sworn.)

COMMISSIONER GEHMAN: Good morning, Senators, and welcome. And we look forward to your statements. The floor is yours, sir.

SENATOR GRASSLEY: It's a privilege for us to be with you and to be with Senator Harkin and Governor Vilsack.

Mr. Chairman and Commissioners, the only issue listed under Iowa from the BRAC list from the Department of Defense refers to the National Guard Reserve. I'm generally pleased with those recommendations. However, while the Rock Island Arsenal is technically considered part of Illinois, at least half of the employees live in the Iowa portion of the Quad Cities. So, for all practical purposes, I consider the Rock Island Arsenal to be as much an Iowa facility as an Illinois facility.

The Rock Island Arsenal is the number one

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concern for Iowa in this BRAC round. That's also why I requested that the time allocated to Iowa at this hearing be combined with Illinois. I would ask that you keep this bi-state interest in mind through your deliberations of the Rock Island Arsenal. Throughout my time in Congress, I worked to eliminate government waste of taxpayers' dollars and particularly in the defense department. So naturally I support the BRAC process.

I thank you for undertaking what is often a thankless task of serving your nation, once again, in your capacity on the Commission. Your work will help insure that the people's money is used more efficiently. But along those lines, I would ask that you take a good hard look at some of the Department of Defense's proposals for the Rock Island Arsenal that just don't seem to make economic sense. No community wants to lose jobs. However, if an organization would be more efficient and less expensive located somewheres else, than we would naturally live with that. But that's not the case with a number of recommendations from the Department of Defense. For instance, the Department of Defense has proposed to move about 1,000 TACOM employees from the Rock Island Arsenal to the Detroit arsenal. The Detroit arsenal

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has a much lower military value rating than the Rock Island Arsenal, requiring huge up-front costs to construct new office space and parking garages at an already-cramped facility, and requiring paying the employees more because of higher costs of living in that particular area. So this move would not save money, but it also costs the taxpayers significantly more in the long term.

The Department of Defense has also proposed moving and consolidating the regional personnel office currently at the Rock Island Arsenal. This is the number one -- this is the number one rated human resource organization in the Department of Defense. This consolidation would not save any money. It just doesn't make sense to move the largest and most cost effective regional personnel office. These proposals not only violate the Department of Defense's own practice criteria, but they also defy common sense.

The Rock Island Arsenal has many features that make it a very valuable military facility. Its location on an island gives it unique security. It has existing buildings that can accommodate growth. It also has an outstanding workforce in a low-cost pay area. The Rock Island Arsenal truly represents a value for the money. We should be making maximum use

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of everything the Rock Island Arsenal has to offer so the Department of Defense should have considered consolidating some of these organizations to the Rock Island Arsenal instead of moving them away. I would simply ask that you carefully review the information that will be presented by representatives from the Quad Cities and make the appropriate adjustments to your final BRAC report going to the President. Senator Harkin.

SENATOR HARKIN: Thank you, sir. Thank you very much, Senator Grassley. Members of the Commission, thank you for allowing me to address you this morning. We appreciate you coming and taking a close look at the DoD recommendations regarding the Rock Island Arsenal. The money saved as a result of the BRAC process is intended to be used for quality-of-life initiatives and equipment modernization to support our troops. I could tell you as a senior member of the Senate Appropriations Committee and of the Senate Defense Appropriations Subcommittee, I know firsthand the stresses and demands on our defense budget, especially in a time of war.

For this reason, I have grave concerns about the Pentagon's recommendation that TACOM of Rock

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Island be relocated to Warren, Michigan. Such a move would bring with it heavy investment expenditures. Instead of annual savings there would be annual costs. But what really baffles me is sort of the logic of the proposed move. We would be uprooting TACOM from Rock Island, where it has the complete infrastructure to perform its mission, as well as room for any expanded missions in the future.

Again, I point out to members that in 1985 we had 13,000 people working under the Rock Island Arsenal, and last year we were down to 6500. So we have plenty of room for any needed expansion in the future. Then we would move that to a site that Senator Grassley says scores lower in terms of military value and that cannot accommodate an expanded mission without new and costly construction. Certainly no private sector enterprise would approve such a move, and I ask why should this Commission.

Later presenters will explain in more detail why the TACOM recommendations are ill advised from an economic perspective. Let me just conclude with this observation. The cost of living in the Rock Island area is significantly lower than Warren, Michigan. That's hardly a news flash. But the added cost of housing the 1,126 relocated workers in the

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Warren/Detroit area will require an additional 3.5 to $5 million in annual payroll costs. Again, as an appropriator, we have to take that into consideration. And that's only the tip of a multimillion dollar iceberg that will saddle taxpayers and DoD costs that ought to rule out this move strictly from a budget perspective.

Again, I am told that this move will necessitate building a new building in Warren, Michigan, plus building a new parking garage. All of which we already have at the Rock Island Arsenal. Plus a quality of life. On a recent tour there I found that we have a childcare center, a youth center, a summer camp, all of that right at Rock Island Arsenal for the employees there. That does not exist anywhere, I am told, in Warren, Michigan.

So I strongly urge you to exercise your authority to revisit this ill advised and costly move. I urge you to convey to your colleagues on the Commission the need to re-examine and reverse what appears to be a very bad deal for the military and for the U.S. taxpayers.

Thank you. And now I will yield to our governor, Governor Vilsack.

GOVERNOR VILSACK: Thank you, sir. Senator

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Harkin and Senator Grassley, and thank you, the members of the Commission for this opportunity. There's not much that a governor can add after four United States Senators and another fellow governor have talked about facts and figures and reasons for taking action to preserve the Rock Island Arsenal. I would like to just simply introduce you to one employee at the Rock Island Arsenal by the name of Sue Pamprin. Sue is a mother and a devoted wife. She has worked at the Rock Island Arsenal for a number of years. And she gave me three very good reasons why this is not the right thing for the country and not the right thing for Iowa and Illinois that I want to share with you.

First, Sue represents 3200 Iowans who work at the arsenal. Each one of those individuals to a person understand the important responsibility they have to protect our men and women who are in harm's way. There is a sense of pride and a level of productivity that is unmatched in the United States. Take a look at the productivity statistics for this facility and you will find them to be among the nation's best, because there is a sense of pride and an understanding of the duty and the mission of the Rock Island Arsenal. Sue Pamprin understands it and

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so do her fellow workers.

Secondly, this is a facility that understands the importance and necessity of partnering with the private sector. Governor Blagojevich made reference to the fact we have introduced state support in an effort to expand the mission of Rock Island Arsenal in order to make sure that the costs of operation are as limited as possible to the federal government. That partnership will continue.

And, finally, you all have to take a look at not only today, not tomorrow, but two years, five years, ten years from now. There's no question that the workforce of tomorrow is going to have to be better educated and better trained. There is no better place in the United States of America to train and educate workers than the Quad Cities. There are colleges, private universities, and a community college system that is second to none. There is no question that those workers at the Rock Island Arsenal, if they are required to upgrade their skills and their training, will be able to do so easily and very inexpensively.

These are three very good reasons why Sue Pamprin wanted me to be here today. And she represents 3200 folks who believe strongly in their

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mission, who understand the difficult decision that you have to make. That they hope that as you make that decision, you will remember Sue and those like her. Thank you very much.

COMMISSIONER GEHMAN: Thank you to all three of you. And I think we're ready to dive into the details here, with your permission.

Mr. Evans, are you going to start or -- whoever is ready.

REPRESENTATIVE EVANS: Mr. Chairman, I've always felt that if the Department of Defense based its recommendations on the merits we'd have a very strong case to make for the military facilities at the Rock Island Arsenal. Unfortunately, the Department of Defense failed to base its recommendations on the BRAC criteria. The Department of Defense squarely deviated from the criteria by not basing its decisions regarding the Rock Island Arsenal on military value and cost savings.

As a member of the House Armed Services Committee I expected that the Pentagon follow the critical guidelines in the BRAC legislation. They failed to do so. BRAC decisions are supposedly made on -- primarily made on the basis of military value. The DoD's recommendations regarding military

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operations at the arsenal fails this test drastically.

The Commission should also take a serious look at the current recommendations regarding the proposed realignment, the Tank Automotive and Ordnance Command, TACOM, Civilian Operations Center and other facilities at the arsenal. You, the members of this commission, are like a jury. You use a fair, independent and equitable valuation of the data to vote the BRAC selection criteria. I'm confident that your Commission will determine that many of the recommendations by the Department of Defense are flat-out wrong.

The Quad Cities community is prepared to make its case to the Commission and appreciate the opportunity. It has prepared a detailed response to the BRAC recommendations regarding the Rock Island Arsenal. In the several minutes we have, local officials from the Quad Cities will explain these points.

At this point I'd like to introduce Tim Wilkinson, Vice President of Alcoa and Chairman of the Quad Cities Development Group, for his remarks outlining our program.

MR. WILKINSON: Thank you, Congressman. I'm Tim Wilkinson, I'm Board Chair of the Quad Cities

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Development Group, and our organization supports both sides of the Mississippi River in a five-county region. Our board is made up of elected officials from both sides of the river and business leaders throughout the region.

Right in the middle of the Mississippi River is the Rock Island Arsenal. We take ownership for it that way. The arsenal community is the second largest community in the area, where over 6400 workers and over $1.1 billion contributed to the local area each year. The workforce is evenly divided between both sides of the river, hence the Iowa-Illinois delegation supporting our Rock Island Arsenal.

This morning I'd like to introduce two speakers, Mike Freemire, the Mayor of Bettendorf, Iowa, and Jim Bohnsack is the Chairman of the Board of Supervisors for Rock Island County in Illinois. Following them, Jimmy Morgan, on my left, your right, will give a fact-based presentation. Jimmy retired nearly three years ago after 32 years as a civilian employee of the Rock Island Arsenal. The last 17 years he spent as a member of the Senior Executive Service in various capacities and organizations on the island. His last position was as the Senior TACOM Representative on the island. Mayor Freemire.

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MAYOR FREEMIRE: Thank you very much.

COMMISSION GEHMAN: Good morning.

MAYOR FREEMIRE: It's a pleasure to be here, Misters and Madam Commissioners. I'd like to take the opportunity to, first of all, mention that entities across the United States are constantly striving to maximize the return of each dollar spent. As businessman and Mayor of Bettendorf, Iowa, I'm constantly looking for ways to improve service levels and maximize each dollar spent for our 14 or -- pardon me, 31,000 citizens and our 14,500,000 operating budget. Before entering the political arena or entrepreneurial arena, I worked in the trucking industry. We had hundreds of terminals across the country and were constantly looking for ways to realign our configurations and freight lines to maximize profit. Today we use those same skills to run my business in the city of Bettendorf, Iowa. All entities must have the highest return on investment possible.

I certainly understand the Department of Defense in its desire to save money and make wise investments. You need to invest limited resources for a maximum return, just like business, just like local government . Based on what I understand of BRAC 2005,

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the realignments proposed for the Rock Island Arsenal do not appear to have a positive return on investment. In fact, just the opposite is true. No matter what capacity I serve in, I cannot accept a negative return. All here today serve the public in different ways. Maximizing the return on investment is universal to all operations. As a businessman and as a mayor, I cannot accept this proposal and believe that its acceptance would be counterproductive and ultimately it would deter from the mission of BRAC 2005. Thank you.

MR. BOHNSACK: Distinctive members of the Base Realignment Commission, it's a pleasure we come today to talk to you about the Rock Island Arsenal. This morning you're going to hear a recurring theme about the number of decisions being influenced by the early proposal to close the Rock Island Arsenal.

We've been fortunate to have three regional organizations at the arsenal. All three of them have been competitively placed. They are all ranked at the top of their military value categorization in their respective areas. This isn't a coincidence. The work ethic, the creativity, the ingenuity of the workforce have contributed to the successes of these organizations. That's the reason they have been a

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recipient of additional work and have grown over the years.

As a retired John Deere employee I am well aware of the consolidations and the regionalizations, but usually you build on the strengths of the best organizations. I have not seen that happen here today.

With that, I'd like to introduce Jimmy Morgan.

MR. MORGAN: Good morning. Thank you for your service. Thank you for listening to the community input to BRAC 2005 recommendations concerning Rock Island Arsenal.

Before I get into the briefing this morning, I'd like to go over what we've provided. We've provided a copy of the briefing to your staff, a four-record memorandum that I've provided. I would like that entered. And we have a number of references that we've also -- plus that information put on a CD I provided to your staff.

2005 BRAC recommendations have three realignments into Rock Island Arsenal. Two metal manufacturing facilities that complement the manufacturing facility also existing at Rock Island, and then the First Army is moving, and we believe that

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that is great for the Army, great for the Department of Defense and great for the country. They have a national mission and they need to be located in the heartland of the United States. And we believe the Rock Island Arsenal is the best place to place that.

There are five realignments out of Rock Island Arsenal and there are three of those that we will challenge this morning. Next chart, please.

Our challenges are really in two areas. First, various service joint groups have scenarios that they basically talked about the tenants moving out. You've heard already some of that. Why is that? I think it's because there was a lot of word early on that said Rock Island Arsenal was going to close.

Let me talk some terms in just a second -- for just a second here. Under your term Rock Island Arsenal is going to close, people have two different views. In fact, even I use them sometimes interchangeably. First of all, you're talking about the manufacturing facility that is at Rock Island, even though it has a different name today. That's generally what people think. And then they talk collectively the whole organizations, the 52-plus organizations' various services that are represented on the island. So perhaps there is some confusion

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because people use them interchangeably.

Why was the proposed closure of Rock Island on that proposed closure list? I think it's clear that the Department of Defense was interested in privatization in closure and realignment and anything else that they could do to its industrial facilities. The position has been that industry can do all of this. We don't need an organic base. We don't need the surge capability that it entails.

And when the decision was to retain Rock Island Arsenal because industry can't do it all and needs to rely upon some organic base, it was too late to take some of these scenarios that were in the Joint Service Group recommendations off the table and take them back. The process was already too far down the line.

Secondly, we believe that substantially BRAC selection criteria has been deviated and will show that in our presentation.

Next chart. The first organization that we will challenge is the recommendation for the Tank Automotive and Armaments Command for Rock Island to move to Detroit arsenal. Their headquarters is located in Warren, Michigan on Detroit arsenal. This is a logistics and acquisition organization. They

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procure and manage and supply platforms all the way from small arms all the way up to tanks and Howitzers, trucks and defensive chemical equipment, and it's an acquisition and logistics organization.

Next chart. The first two bullets really are summarized, even though the first one talks about the recommendation being procurement management consolidation and goes far beyond procurement management.

The first two bullets really are summarized. Some of the people at TACOM-Rock Island go to DLA, and there is 52 people in that recommendation, and the rest go to Detroit arsenal. We are not challenging the DLA recommendation, the 52 people, although I have great concerns for that move. And I think you'll hear that as a thread through other organizations throughout your time when you listen to various groups.

DLA manages eGIS, a services-managed platforms and systems. eGIS are done by thousands. Platforms and systems are not done by that and you're talking about readiness issues. The majority of the items left for the services today are items that DLA has not been able to handle in the past. Tech data that is changing, procurement issues, items that are

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too difficult for them to handle. So I have great concern about readiness issues, because that's what this all comes down to about this move. But we're not going to challenge that.

We are going to challenge the move to TACOM. If you'll look at the third bullet there, this has happened before. The BRAC 1991, the recommendations to move the same very organization to Huntsville, Alabama. And BRAC '93 looked at it again and redirected it to stay in place so that it can be fully executed in place. It has for 12 years. As Yogi would say, "This is dTja vu all over again." This has been looked at before, recommended before and said to stay in place.

Next chart. Let's look at what the Army strategy -- BRAC strategy was -- to leverage -- to establish a streamlined portfolio of installations with significantly reduced cost of ownership. We're going to talk significantly about that cost of ownership. But let me talk briefly about Rock Island Arsenal. You've heard a lot of comments this morning. It has natural force protection provided. It's called the Mississippi River. There are only three places to get on the island. After 9-11, local communities, state organizations and federal organizations in the

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area concentrated on the island because of its unique facilities and its location. It has room for expansion, as you've heard. It has existing space today and can provide more in the future. It has a childcare center, the first school-age facility in the Department of the Army. It's for before and after school for kids. Fifty-plus tenants, all the services, a variety of functions that they perform. This is an installation that fits that portfolio. And you're going to hear some others that don't fit that portfolio.

Next chart. Let me talk a little bit about people, the facilities and the process. As you've heard, the BRAC recommendations take 740 people from Rock Island and move them. Fifty-two go to DLA. There are forty-two efficiencies, so that leaves 636 people to move to Detroit. But in reality, there are 1,129 people in that organization. You wouldn't take two-thirds of an organization and leave the other third that supports it in the local area. It just doesn't make sense. I don't believe that either the Army or anybody that was doing the BRAC report really realized that there was additional people that were there. It should all go or none of it should go. So if you take 1,129, take out 52 for DLA, 42 for the

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efficiencies, and there's 40 people in the procurement organization that handles local procurements, you're left with 995 or about a thousand people. Even that doesn't account for everybody. There are engineering and quality assurance people that are support -- support this organization that are not in TACOM-Rock Island. There's contractors that are embedded in the workforce that do functions that -- they perform functions every day. So you're talking close to probably 1200 people. Certainly 1100 people.

In the COBRA model it says that 70 percent of the people will move. I really doubt that 70 percent of the people from Rock Island are going to move to Detroit, but we'll use their numbers. That means that 30 percent, or about 300 people, are going to have to be hired off the street. What they don't include is training costs and the lack of efficiency of those people when they hire in.

Today in the acquisition of the logistics field when people are hired off the street they are generally college grads. And they still go through a training program for about three years. The Army spends about $20,000 a year per person for three years to train them. Not in the BRAC model. Significant costs that they've lost.

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Even more important than that, is the lack of the ability for those people to perform during that time. They don't know how to run supply studies. They don't know how to do procurements, even though they may be college graduates. So there is a significant area there.

Let me talk a little bit about the facilities. I know personally there's not room for 60 people at Warren, Detroit arsenal. Let alone 600 or a thousand. And you better get there early to get a parking place in the parking lot. The BRAC data said early on -- and it's been changed some, that part of the problem we have is the data sometimes changes, it appears. But the BRAC data early on said that there's not enough building space and there is encroachment there. The COBRA cost said that it would cost about $21 million for a facility and three and a half million dollars for a parking lot.

I'm not sure what the new force protection rules where you have to have some setback, that you have space to put in a building. We have figured out how it could probably be done, but there wouldn't be much green space left on Detroit arsenal. We hired an architectural engineering firm to give us numbers of what it would cost for that building and parking

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garage. Because you're not going to put a lot in. It's going to be a four- or five-story parking garage on Detroit arsenal. The numbers that they used, and they got it from Louisville Corps of Engineers, was average about 200 square feet per person and $230 per square foot for a building -- multistory building. That turns out to be closer to $45 million than it does to $21 million. For the parking garage they used a local garage in the city of Moline, a municipal garage that is just being finished right now. It cost $6 million and has 455 spaces in it. So you need one about double that size for a thousand people. It costs $6 million. They believe that it would cost 1.25 percent of that in the Detroit area, and if it was a Corps of Engineers project. So you're talking more like $15 million than three-and-a-half million dollars.

But even if you do that, and provide those administrative buildings, you don't have all the things that you have at Rock Island. They are unique facilities that will never be duplicated in Warren, Michigan. There's a live fire range at Rock Island. I can assure you you're not going to put a live fire range in Warren, Michigan. It came in handy when there were pedestal problems for the pedestal that

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goes on the back of the Humvee. They needed to make some modifications to that. They made modifications in a machine shop in Rock Island, which there is not one like that in Warren, Michigan. Made those prototypes, sent them to the firing range to test them, and then sent them to Rock Island to be manufactured to get out in the field so that our troops would be safer. That isn't going to happen if it moves to Warren, Michigan.

If you look at the military value -- you've heard that today earlier. You go from a facility that's -- the Army's own numbers are 53 -- ranked 53, to a facility that's ranked 74. Why would -- why would you ever do that? You'd only do it if you were going to close Rock Island Arsenal, and I believe that's the case here as well. There's room to put all of TACOM in Rock Island, and I know that's not the position we're taking. I know that's not what you're going to do. But there's more than adequate room and you could do it tomorrow.

Let's look at the process. When this stood up 12 years ago, they were self-contained redundant organizations. Over the last 12 years, there's been at least 350 efficiencies that I'm aware of that have taken place, so that today they are not redundant

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facilities, they are not redundant organizations, but they are a virtual organization. They rely upon -- each site relies upon the other site. You don't have duplication. They are not going to operate any differently in Warren, Michigan than they are in Rock Island, Illinois. It's not going to be any different. It's looked at in BRAC '93, and there's nothing that I can see with the supply and storage group that -- that requires a move. Appears to me like it's only because it looked like Rock Island was going to be closed.

Next chart. Let me look at some of the costs and give you some more details. And in the data that I've provided to you, your staff, there's a lot more detail than that.

First of all, you have to account for all the people. BRAC only accounts for 636. There's 1,035 that we really have to account for. The one-time cost, their own report said $47 million. My belief it's close to 113. And if you go back to the 1993 BRAC report that basically redirected that move to stay in place, it says the Army can save $70 million by not making this move. And if you inflate the $70 million to today's values, 12 years later, $113 million isn't very far off.

Recurring costs are mostly salary costs, and

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as you've heard earlier, Detroit is in a high-cost area for pay. So if you have the same person working in Rock Island they are going to make about seven percent higher in the city of Detroit. When you make a salary of about $65 million -- that's the payroll for this organization -- you're talking four and a half million every year that you pay more for being in that location.

The COBRA data grossly underestimated the cost down in the bottom here. But if you add up the cost for -- the net cost for the first six years, basically says between Rock Island and Warren, Michigan, the Army is going to spend $65 million more than what they are today.

If you look at it beyond those years, the net between the two facilities, it says you're going to spend close to a million dollars every year that you do this. There's a negative return on investment. I don't know why anybody would do that.

Next chart. Let me summarize a little bit. It's been looked at before. It's operated successfully for 12 years. It is a virtual organization today and, oh, by the way there are two other sites that are in the logistics and acquisition community within TACOM. That's in Natick,

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Massachusetts and Philadelphia, Pennsylvania. They didn't make any recommendations to move them all to Detroit.

We believe that they substantially deviated -- the department substantially deviated from criterias four and five that have to do with costs. We believe that it's counter to military value. They substantially deviated from criterias two and three to talk about space for now and space in the future. There is no space in Detroit arsenal.

This recommendation is not cost effective and it will never be cost effective. If the Army wants to find $100 million to save for transformation, then I can tell them where they can find it. It's right here. Don't make this move and the Army is going to save $100 million.

If I were asked to invest in a proposal like this -- and I am, you are, too, because we are all taxpayers -- I would really be upset that my money was spent for something like this. It doesn't meet the common sense test.

Next chart. My second challenge is in the regional personnel office. And you've heard about this several times this morning. They are number one in all the criteria. Military value: 25 human

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resources organizations with the Department of Defense. Not just the Army -- the Department of Defense. You've heard about some of the things, the high-priority missions that it has. Primary provider for support in southwest Asia. They've had people -- supervisors that have been over there for six months. They have responsibility for hiring the military technician program. They provide logistics assistance representatives. They hire them. These are field -- like field service reps that are embedded within the groups. When they deploy, they go with them. They fix problems with the equipment.

Unique missions are customs -- customers that they have. Military district of Washington. Arlington Cemetery. Medical centers. They hire medical recruitment, doctors, nurses and dentists. DA interns. They are responsible for the majority of those. They are unique customers. High-priority missions. Why do they get them over a period every time? They didn't come with them to start with. It's because they perform. It's because they are the best within the Department of Defense. And why is that? It's because of the people. They have the highest level of college graduates. They have an extremely low turnover rate. You move this organization, you're

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going to destroy that.

Next chart. I was always taught that you organize around your best organizations, not eliminate them. That's what's being done here. There's a common thread here, again, where the joint working groups, I think, were told that Rock Island Arsenal is going to be closed. You can look through the scenarios and see justification why they moved Rock Island Arsenal. It's to facilitate closure of Rock Island. Again, the scenarios all had Rock Island moving. Never a receiving organization. Why wouldn't your number one organization be a receiving organization? Joint working groups, I think, were already too far down the path for this to be overturned. There are no real savings. They proposed some savings. They are arbitrarily applied. They tried to apply 20 percent in the services objective. And I don't ever see the Army agreed to the 17.7 percent. But the Army standard for workload is 144 clients per individual. What's come into Rock Island in the various services that they've received and workload, comes in at 144 clients per person. What Rock Island does is 144 per person. They meet the standard. But by applying an arbitrary standard, you're going to reduce that so that the people that

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are the receiving end have to receive 175 clients per individual. That's going to result in backlog.

Next chart, please. Again, this is the number one human resources organization that never had a chance to be a scenario other than moving out. We don't believe that that's proper. We believe that's contrary to the fair rules that BRAC was supposed to be playing.

Military value was disregarded. Moving from a number one rated facility to a number nine and number 11, arbitrarily splitting them 50/50. The savings are very unlikely. There's going to be degradation of service. And so why do this? The only reason you would do this, again, is because people were predisposed to move out of Rock Island. This needs to be reversed.

Next chart. Mr. Chairman, with your indulgence I'd like to do something perhaps a little different here. And probably a little strange. But I'd like to not go over my next three charts. And with your approval I'd like to summarize them briefly. They get to be complicated and I'd like to spend some time with your staff to go over it in more detail so it can be understood. So with your indulgence, I'd like to summarize briefly and go to my final chart.

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I think we're all aware of the armored kits. New Humvees coming off the line. The manufacturer had a source of supply from those armor doors. But certainly the troops in the field that already had the Humvees out in the field needed to have protection. And so there certainly was an effort within the Army to provide that. Industry couldn't do it all alone. And so it came back to the Army within TACOM to try to find sources to try to make that happen. Rock Island Arsenal was one of those utilized again because of that search capability and the tremendous ability that they have to make those armor doors. They became one of the suppliers of a number of industry as well as government facilities that provided the Humvee door kits. The initial order that they had, they delivered three months early and under cost.

What they probably did in answering the questions in the COBRA model was put this workload against depot maintenance work when it actually wasn't. Don't know exactly what happened. But as a result of that, they are getting penalized. They did it with temporary people. When they searched, they hired temps, not permanent employees. And so they have been penalized for doing that, for stepping up and providing a needed service to our country.

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They are losing permanent spaces in this move and they are also taking the equipment or recommending -- they are taking the equipment. This is the same equipment that they use when they get production orders. Last week they received three significant orders for new production of items. They need that equipment. It can't go to the depos. This doesn't make any sense. But I'd like to spend more time in detail talking to your staff about that.

If I could skip to chart number 15 then, let me conclude. There we are. Why do we believe these recommendations? The service substantially deviated from criterias two and three by moving to locations with a significantly lower military value without facilities that are available to take additional mission, and no room to grow.

We believe that the department substantially deviated from criterias four and five because of the costs involved in these recommendations, significant risk in performance of large personnel moves.

What we've talked about is a recurring theme. You can look at the DFAS organization that we didn't talk about. It's rated number one in the Department of Defense also. There's a recurrent theme in all of these, again, that they didn't allow the

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number one organizations to remain at Rock Island and become a receiving organization. We need you to reject these three recommendations. They do not make sense. They are not good for the taxpayers. They are not good for the service. They are not good for the serviceman and woman.

Sir, unless you have additional questions, that concludes our community presentation.

COMMISSIONER HANSEN: Mr. Morgan, in your presentation, one of the slides talked about chemical support.

MR. MORGAN: Yes.

COMMISSIONER HANSEN: Do you have chemical munitions of any kind in Rock Island?

MR. MORGAN: Part of TACOM is a chemical defensive organization.

COMMISSIONER HANSEN: You don't store anything like mines or anything of that nature?

MR. MORGAN: No. No.

COMMISSIONER HANSEN: Anything there that would have to be demilled because it's obsolete?

MR. MORGAN: No. Not that I'm aware of anyway. It does not have a storage mission, per se.

COMMISSIONER HANSEN: I see. Thank you.

COMMISSIONER GEHMAN: We owe you a great

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deal of thanks and we look forward to working with you to go through these facts and figures and analyses. We consider the communities and elected representatives to be an adjunct to our very small analytical staff. We all did get the data late. We all are in a footrace and we invite and look forward to going through these things in great detail with you. And you are invited to our offices in Crystal City or to fax us and e-mail us at any time. We want to get to -- we want to get the best possible answer, just as usual. And, of course, as the process worked its way out, we -- the Commission has only received the Department of Defense's side of the story. We are just now, by our site visits and our public hearings, just now receiving the other side of the story. So -- we appreciate it very much. Sir, if that completes your panel's presentation, we thank you very much and we're ready to move on.

Good afternoon, Congressman Shimkus. Are you ready to be sworn?

(Congressman Shimkus sworn.)

COMMISSIONER GEHMAN: Good morning and welcome and the floor is yours. We look forward to your testimony.

CONGRESSMAN SHIMKUS: Thank you, sir.

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Admiral Gehman, General Turner, Congressman Hansen, my old colleague, good to see you. Thank you for allowing me to offer my testimony on behalf of the 183rd Fighter Wing located at Capitol Airport in Springfield, Illinois.

Springfield is split between three congressional districts, and I would be remiss did I not mention the hard work of Congressman Ray LaHood and Lane Evans, who you heard earlier, along with Senators Durbin and Obama have put forth to insure that accurate data on the military judgment were used to decide the fate of our seventeen F-16 fighters, the pilots who fly them, the mechanics who keep them in the air, and the civilian employees who rely on their presence.

As a past active duty member and a current Reserve member of the United States military, I understand the need for the BRAC process. I commend my fellow warriors who tried their best to come up with an objective plan that will provide a long-term vision for our armed services. That is why I'll focus on the facts and figures instead and try to stay away from the emotional attachment we all have for the fighter wing. There are numerous instances where the data and the formulas used to arrive at the decision

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to close or realign a facility were well evident. But the rationale for aligning the 183rd was less than consistent. This realignment decision seemed to hinge on a much more subjective measure, such as recruiting rates. Currently Springfield has a manning end strength of 99 percent, which is well above average nationwide. And when compared to Fort Wayne we see that there is not much of a difference in recruiting and retention success.

Even more telling than the percentage is the real difference between the two bases, only three people. In fact, there are six other units on the BRAC list that score far below the 183rd in recruitment and retention, but are gaining airplanes. These are the 113th at Andrews Air Force Base, the 149th at Lackland Air Force Base, the 144th at Fresno Air National Guard, the 158th at Burlington Air National Guard Base, 169th at McEntire Air National Guard Base and the 187th at Montgomery Air National Guard Base.

Additionally, the cost justification is weak and subject to questioning. The BRAC report itself indicates that the net cost during implementation is $13 million. An annual payback of only $2 million means it takes 13 years for the Air Force to break

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even on the decision. This cost savings is only realized when including Terre Haute in the move along with Springfield to Fort Wayne. More objective measures such as military value, full cost benefit analysis, geographic proximity to higher target homeland security threats, and the ability to expand current operations seem skewed in this instance, too.

Our next speaker is Mayor Davlin, and Colonel Blade will provide more detailed evidence on each of these points. Throughout this entire process I have not heard how much weight was given to statistics compiled when the 183rd has been called to active duty. While serving in the Middle East our maintenance personnel made sure our planes were flying at a higher rate than many other units that are not being realigned. The mission-capable rates of the 183rd were stellar when compared to other units performing sorties with the very same jets, as well as all others in theatre. These successful soldiers, who because of a statistical difference of three people, may have to make the difficult choice of leaving our military if their citizen soldier duties are moved far away.

The 183rd has repeatedly answered the nation's call to arms and completed missions with

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distinction. It's imperative that these in-theatre performance statistics are considered, how to spend such large amounts with minimum-projected savings.

Lastly, the relationship that the 183rd Fighter Wing has with Abraham Lincoln Capitol Airport is second to none. The airport has worked in conjunction with the military to save thousands of federal dollars on an annual basis by providing space and access to nonfederal facilities. This relationship was enhanced by the addition of a new admin building that was built with congressional assistance and a keen eye on expanding the current military facilities at Capitol Airport.

And as you've heard in prior testimony, the State of Illinois is committed to building a munitions storage facility that will allow the Air Guard a central location for munitions at virtually no cost to the Department of Defense.

You all are entrusted with a difficult mission of your own. The decisions you make can have a tremendous impact on our future military capabilities and our abilities to effectively protect our homelands. That is why it is important that we offer our evidence to this Commission. We can then be assured that the most accurate information is used to

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determine the future of our 183rd Fighter Wing.

I would also like to submit this written testimony for Congressman Ray LaHood, and I have that in front of me. He is unable to personally attend as he is in Springfield with Commissioner Skinner touring the 183rd facilities.

COMMISSIONER GEHMAN: Absolutely.

CONGRESSMAN SHIMKUS: Again, I thank you for this opportunity and ask that you carefully consider the testimony you hear today.

COMMISSIONER GEHMAN: Thank you very much. Go ahead, sir.

MAYOR DAVLIN: My name is Tim Davlin and I'm the mayor of Springfield, Illinois. I represent the individuals, the families and the communities of Illinois that will be affected by your decision regarding the 183rd Air National Guard unit based at Abraham Lincoln Capitol Airport.

As you know, the Department of Defense has recommended moving our 17 assigned F-16 fighter aircraft from Springfield, Illinois to Fort Wayne, Indiana, a decision we believe substantially deviates from the Base Closure and Realignment Committee criteria. Here's why: Moving the aircraft to Fort Wayne does not demonstrably improve our overall

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national defense or homeland security missions.

This shift of assets to Fort Wayne will not result in net savings to our military, not one single penny, and, in fact, will cost money. The facility at Fort Wayne is simply not as well equipped to meet the future force requirement of our military as the base in Springfield. And the economic impact to Springfield, Illinois and the surrounding areas has been drastically miscalculated by the Air Force. I will speak briefly to each of these points, but I encourage each of you to closely review our white paper that provides an in-depth analysis of these arguments.

First, you as Commissioners have been given a monumental and, no doubt at times, disagreeable task. I do not dispute that our military needs some changes. Certainly the military must constantly improve its efficiencies, but the purpose of these closings and realignments should be to make our military stronger. Changes to National Guard units must not undermine our homeland security efforts. Yet that is exactly what would happen if our F-16 fighter aircraft are moved from Springfield, Illinois.

The 183rd Fighter Wing has a proud heritage of answering our nation's call to duty. The military

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value of the wing is undeniable. Most recently, personnel from the 183rd Fighter Wing played an integral role in both Operation Southern Watch and Operation Enduring Freedom.

Specifically from a national perspective the 183rd Fighter Wing is centrally located in the U.S. and can easily support any mission in the region, whether it's federal, state or homeland security.

From a regional perspective Illinois has 28 locks and dams along the Mississippi, the Illinois and Ohio Rivers. Having the 183rd Fighter Wing located at its current base is an important homeland security issue for the state. Fifteen percent of all commodities in the country are shipped in the inland waterways at three percent of the cost. The bulk of these shipments are on the Mississippi, Illinois and Ohio Rivers, which all border Illinois.

Additionally, Illinois has 11 nuclear facilities, while other surrounding states have between one and four facilities. Again, this has critical homeland security ramifications for the region.

On the surface it may not appear to be much of a difference between locating the fighter wing in northern Indiana versus central Illinois. We believe

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an in-depth study by the Commission will raise serious doubts about whether such a move will improve our nation's homeland security defenses.

From a performance perspective, the 183rd Fighter Wing with a military value of 115 is ranked third out of ten F-16 Air National Guard units. Seven other units have lower military value, yet the 183rd Fighter Wing is one of five units recommended for realignment. Yet DoD proposes moving the aircraft from the 183rd Fighter Wing to a Guard base which ranks below Springfield's.

To the second point, the move from Springfield will cost money. Air Force documents prove that all the cost savings from the tripartite realignment come from moving Hulman and establishing the surge commission.

Commissioners, I urge you to look at culling out Springfield from the pack and look at it independently. When this happens, it makes a lot of sense to consider moving Hulman to Springfield with similar type of aircraft and closer in location. It makes no sense to spend money to move planes and retrain crews when you don't have to, especially when the base is of lower military value.

We do, however, support the realignment of

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the Surge Commission as Springfield is a more central location and makes this move a moneymaker.

Next -- and this point is related to improving the future capabilities of our military in the National Guard. If your task as Commissioners is to find the appropriate mesh of bases that meet the Defense Department's future force requirements, the 183rd recommendation simply has it all wrong. If all the Air Force is looking to reduce the Air Guard to only those bases that might be able to take on the F-35, Springfield is in excellent shape for a future military value.

Abraham Lincoln Capitol Airport in Springfield has many environmental and infrastructure advantages that position the 183rd Fighter Wing to carry out current and expanded future missions. Specifically, unlike Fort Wayne, Springfield is not hampered with any air quality restrictions. Fort Wayne, however, is classified as a nonattainment area for 8-hour ozone standards. In fact, the 183rd has just completed a base master plan. The state and local community are working together with the airport authorities to acquire financial aid and assistance to provide additional acreage to the base in order to accommodate force protection, munitions storage, and

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homeland security alert facility.

Finally, we know that many communities around the country will suffer an economic impact when their military bases are closed and realigned. Perhaps that's a painful but necessary step when we are trying -- when we are trying to right size our military. However, let's at least be honest about the impact those closings will have on our community before making those painful decisions.

The devil is in the details, and in this case in Springfield the Air Force simply has it wrong. Its claim that only 163 positions will be lost is also wrong. For it fails to include those who are part-time at the military base. Include those part-time workers and the numbers skyrocket to almost 600 individuals. The loss of the fire fighting unit at the military base which also serves Capitol Airport will cost the airport between 500,000 and 600,000 dollars every year. Additionally, the unit is relied upon to provide runway maintenance as snow and ice removal. Such a loss would be devastating to the nine county Central Illinois area economy. We cannot afford losses of this magnitude.

I've lived my entire life in Springfield, Illinois. When I talk to my neighbors, my friends and

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the citizens of Illinois, there is no mistaking the tremendous button-popping pride they have in our Air National Guard Base. Personnel from the 183rd Fighter Wing responded to the call of duty after the events of September 11, 2001. The unit deployed for a three-month period, starting in March 2002, and as I mentioned took part in both Operations Southern Watch and Operation Enduring Freedom.

During the unit's first 30 days in theatre, personnel from the 183rd flew more than 1,000 hours. Because of the long hours, and to get all of its pilots combat flying experience, the squadron rotated all of its 33 assigned pilots, six of whom stayed the entire mission. These men and women are not full-time military. They are part and parcel of our community. Yet they answer the calls of duty without hesitation.

The 183rd Air National Guard Base has been a close partner with the community of Springfield, Illinois, for over 50 years. They served our country with distinction and honor. Commissioners, they deserve better than this. The people of Central Illinois understand the military. They understand what is required of our fighting men and women to protect us at home and abroad, and I'll take a solid base in the heartland any day.

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In closing, the decision regarding the Springfield-based 183rd is not consistent with BRAC's own criteria. A decision that will cost the taxpayers money, not save money.

Commissioners, you have the power to change this recommendation for the benefit of our military and our future force requirements. I hope that you seriously consider whether realigning Springfield's aircraft is in the best interest of our country's national security and homeland defense. We in Springfield have many reasons to believe that it's not. Thank you.

And now you'll hear from General Gene Blade with some additional military details. Thank you.

COMMISSIONER GEHMAN: Thank you.

COLONEL BLADE: Thank you, Mayor. I'd like to thank the Chairman and all the members of the BRAC Commission for allowing me the opportunity to testify before you today regarding the 183rd Air Guard unit based at Abraham Lincoln Capital Airport in Springfield, Illinois.

My name is Gene Blade. I'm a retired Army Colonel and a member of the Peoria/Springfield BRAC Committee. I certainly agree with Mayor Davlin that the Air Force decision to relocate the 183rd Fighter

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Wing is not consistent with published BRAC criteria and should strongly be reconsidered by the Commission.

Keeping the 183rd Fighter Wing in Springfield is an advantage for many important reasons. I'm going to discuss two of them.

Number one, military readiness and recruiting and retention. The 183rd Fighter Wing mission is two-fold, the federal mission and the state mission, and I think we all know what those are. This unit has a long tradition of fighter missions, including the first unit of the F-84s in the '50s, F-4s in the '70s, and F-16s in the '80s. I personally have known every commander that unit has had, and they have been blessed with superb leadership from day one through to the current commander today. And the unit has always had an outstanding record.

Since converting to F-16s, this wing has proven itself continually in the air expeditionary force rotations and other demanding missions. I recently read in the AEFC news that the Air Force -- correction -- the Air National Guard performs 34 percent of these missions for the Air Force. One combat support unit, the 217th Engineer Installation Squadron, also is a base with a wing. The Springfield-based wing and combat support units are

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authorized 1,088 officers and airmen.

First, let me address the importance of the 183rd on military readiness. From a training perspective, this current location of the 183rd Fighter Wing is extremely advantageous. Regardless of the weather, the F-16s of the 183rd get exceptional training because there are numerous training areas in every direction. As a result, the wing almost never has to cancel a training run. The 183rd Fighter Wing has access to a number of military operating areas within 150 miles. This allows them to perform low- and high-level training, air interdiction, air to ground, combat search and rescue and counter air. Also tanker support and similar training opportunities in the area. There are even several additional MOIs that are up to an additional hundred miles out which the unit can reach within just a few additional minutes of flying time.

The base has two active runways, 8,000 and 7,000 feet, each which adequately accommodates both commercial and fighter operations. The runways cross each other, allowing for operations during most weather conditions. Both runways are equipped with barrier rest systems and instrument landing systems. In addition, the base has excess ramp capacity to

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accommodate future missions or mobilization requirements, and I might add many installations only have one barrier system. We've been blessed with two. It is not surprising then that the subject of mission-capable rates to learn that the 183rd outperform all other units for the reporting period of October 2001 to March 2005. When I mention all other units, I am talking about in comparison to five sister big-engine bases, the 115th at Fort Madison, Wisconsin, the 120th at Great Falls, Montana, 140th at Buckley, the 149th at Kelly and the 187th at Montgomery, Alabama.

The 183rd Fighter Wing was above the big inlet average mission-capable rate 83 percent of the time. When we look at the total not mission-capable maintenance rate -- this condition occurs when aircraft cannot be assigned missions because of maintenance -- we find the 183rd again outperformed these sister units 64 percent of the time. This consistently proves that reliable maintenance by an experienced workforce is a key to meeting Air Force homeland security mission requirements and force protection efforts abroad. The 183rd maintenance efforts and maintenance personnel have unquestionably proven to be of high military value to the U.S. Air

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Force. I am concerned that if relocated, the 183rd will have difficulty maintaining this impressive record because of diminishing training cycles and infrastructure assets.

One final note. Boeing Phantom Works is working with the 183rd Fighter Wing to test out new decals that can be easily installed and removed. The benefit of these is that the decals are lightweight compared to paint and can easily be removed during wartime. With the Boeing Corporation headquartered in Illinois, it makes sense for the 183rd to remain in its current location so as to facilitate this existing relationship.

Finally, the strength and recruiting of the 183rd is exceptional. The State of Illinois provides a scholarship benefit to the members of the National Guard that beats any state in the union, including educational opportunities, employment preferences and increased benefits for family members. This has allowed the 183rd to consistently maintain staffing levels above 100 percent of authorized positions. The 183rd maintains a highly educated force with over 40 percent of its members holding college degrees. And today, with sophisticated military equipment, we certainly want to recruit and maintain the best and

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the brightest educated people as possible.

Of the critical Air Force security codes -- specialty codes, the 183rd Fighter Wing has 774 authorized with 776 assigned. So the 183rd is over 100 percent critically manned. Overall the 183rd Fighter Wing was manned over 100 percent until May of 2004.

In the last year, Springfield's recruiting has dropped, yet the average recruiting levels are at 98.5 percent. Part of this is due to the loss of a recruiter on medical leave, but the other members of the unit are always out there looking for the best people for that unit. But this unit is still in the green.

Additionally, many Air Guard pilots are commercial airline pilots. Being centrally located between Chicago and St. Louis airports certainly helps to recruit them. Here in Springfield we have two major hospitals and Southern Illinois University for medicine from which to attract doctors into the Guard. I've been around this unit for over 30 years and they've always been at 100 percent or over of authorized strength positions unless they had a recent mission change and authorized strength levels. Recruiting just has never been a real problem for the

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183rd unit. I might add that the unit also is very good in working with the community and the youth -- handicapped youth. They bring them to the unit and work with them and make them an Air Guardsman for a day. And that certainly goes well for the whole unit, as well.

Additionally, the airport recently made available an additional 13 acres for the 183rd to meet security clearance distances for antiterrorism force protection. A new $10 million three-story composite command building is nearly complete. It meets all the antiterrorism force protection standard requirements.

We have identified some specific reasons why this decision should be reversed, not only because we value the Air National Guard Base, but because the recommendation is not consistent with lawful BRAC criteria, nor does it improve military readiness or homeland security. This unit is being penalized for doing a superb job in flying missions, maintenance performance and recruiting performance. Where is the reward for being one of the best? The loss of experienced air crews, maintenance and flying support personnel to the total Air Force would be hard to replace in a timely manner. I don't believe the loss of flying experience and training dollar investment

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has been adequately considered in the military value model. Not only will the effectiveness of our present force be diminished, but it will take decades to return the force to where it is approaching any equivalent level of performance that we haven't been accustomed to. As General Hackman stated previously, there also seems to be a homeland security benefit to having smaller 18 aircraft Guard units more spread out than concentrating 24 aircraft units into smaller local locations. This would enable more air space to be effectively covered in time of emergency. For this strategic reason, I fully agree with General Hackman. I believe this logic, combined with the unique attributes of the Abraham Lincoln Capitol Airport located in the center of the Midwest heartland for homeland defense mission's outstanding unit performance, the closeness of training areas, the strong recruiting base, plenty of room for future missions and expansions, and greater community support dictates that the 183rd Fighter Wing should continue to be based at its present location. I would say that the 183rd Fighter Wing is always ready, always there. Sleep well tonight, your National Guard is awake. Thank you.

COMMISSIONER GEHMAN: Thank you very much.

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I just have one question. Do you have a question? I guess, Colonel Blade, the DoD BRAC report acknowledges this move is from a base of higher military value to a base of lower military value. They acknowledge it. They don't hide it in there. But they justify it solely on the retention and recruiting issue. And you said you have statistics to refute that?

COLONEL BLADE: We certainly do.

COMMISSIONER GEHMAN: We would like to have those.

COLONEL BLADE: We would like to meet with your staff at a later date with some other statistical data.

COMMISSIONER GEHMAN: Thank you very much. Commissioner Hansen?

COMMISSIONER HANSEN: Thank you. Good to see my former colleague, John Shimkus -- Congressman Shimkus or Colonel Shimkus. I was there when the President pinned those on him at the White House.

Anyway, the 183rd seems to have a very impressive list of criteria that are very impressive. The things that kind of bother me at the time would be, as I understand it, you're working with Block 30s, is that right?

COLONEL BLADE: Block 30 F-16.

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COMMISSIONER HANSEN: Yes. As you know, they are going out of the system by 2010. And prior to this announcement of BRAC, I was just curious -- what were you going to get? Were you going to get some Block 40s or 50s, or are you up for the F-35, or Joint Strike Fighter?

COLONEL BLADE: We used to have 24 F-4s on the parking ramp.

COMMISSIONER HANSEN: Excuse me, Colonel, I missed that.

COLONEL BLADE: We used to have 24 F-4s on the parking ramp. We have plenty of room for ramp capacity for other aircraft and we could take on any new missions. We have room for the F-35s in future times. But another comment there to add, that if we looked back in history a little bit, the B-52s, they talked about maybe removing them in the '60s. But we kept them and we still have them today, with many modifications. The same is true with the A-10s. We talked about maybe not needing them anymore, but, you know, that's our main fighter today.

COMMISSIONER HANSEN: Well, I agree with you, Colonel, anything in those projected things don't mean much. The B-52 should have been out of the system 30 years ago. In fact, in the Armed Services

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room in the House we had a picture of a father, a grandfather and a son that all flew the same bird. I mean, those planes are older than about anybody that's in them. They keep hanging them in there. But they really seem to be serious about the F-16 going out -- the 30s anyway -- and coming on the F-35, which would be a great thing for the 183rd. One of the biggest concerns I see with the Air Force -- and I recently have been in Eielson in Alaska, and also Mountain Home in Idaho. Huge ranges. The thing that they talk about is the clear air space that they have. Zero to 58,000 feet of clear air space. I would just be curious what kind of air space the ranges you have been referring to -- what do they have?

COLONEL BLADE: Well, those are very -- we're very blessed with -- that some of those are just a very few miles to the west of Springfield that we have, and some are to the east. If we go out a little more, north or south, we have more ranges closer to our flying base than I believe any other Air National Guard base in the country. We see that as an asset for us. As far as clearances and that, those are close at hand, too, for high clearance or whatever we need.

COMMISSIONER HANSEN: Well, in my 22 years

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on the Armed Services Committee, everyone who was leading the Air Force said we got to protect our ranges and our air space, and little by little there's been encroachment of every kind, environmental problems, and other problems of growth. So I was just curious. If you don't have a range, you don't have a place to fly. Pretty serious. But you folks are totally convinced that you have adequate range; is that right?

COLONEL BLADE: Absolutely. And we have some of our testimony there -- we have a CD that shows where those various ranges are located at. And so we have excellent numbers with that. We'll be glad to meet with the Commissioners in greater detail on that.

COMMISSIONER HANSEN: Thank you. I appreciate that.

COMMISSIONER GEHMAN: Thank you very much, panel. We'll look forward to hearing now from Mayor Rockingham from North Chicago.

REPRESENTATIVE DURBIN: If I might ask for indulgence, State Representative Eddie Washington is next on the program and then Senator Grassley, and I was going to close. But in order to leave you with the best taste in your mouth about the Illinois-Iowa

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proposal, I would like to ask that our statements be made part of the record and Senator Grassley and I be allowed to rush out to the airport and catch a plane back to our work. And I thank you, again, for all the time you've given us.

COMMISSIONER GEHMAN: You're very welcome. And, of course, we'd be delighted to have your statements put in the record, and will be so.

REPRESENTATIVE DURBIN: Thank you. Thank you very much.

REPRESENTATIVE WASHINGTON: Good afternoon, sir. I'm State Representative Eddie Washington representing North Chicago and Waukegan in the 60th District. I'm here today to present a joint statement by Senator Terry Link of the 30th Legislative District, as well as Leon Rockingham, mayor of the city of North Chicago.

Distinguished Chairman and members of the Commission, thank you for the opportunity to appear before you here today. I'd like to begin by thanking the Commission for all your good work, and your mission is important to all of us as citizens, taxpayers and elected officials. We recognize that you have some tough choices to make. We also share a fundamental agreement. Our military must have the

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right tools for the job. That includes a modern base structure that makes the best use of all available resources. Particularly those where training occurs with support of the Department of Defense and warfighting. For that reason, we must respectfully disagree with the current defense department recommendation that would downsize one of the top three historic and largest base, Great Lakes Naval Training Station in North Chicago, Illinois. We urge the Commissioner to reconsider and reverse that proposal for a simple reason. These would be the wrong cuts in the wrong place at the wrong time.

We share the goal of streamlining the military base structure, but the streamlining must not degrade warfighting capabilities and support. And in this case, the issue is not whether, but how and where to best consolidate the military's medical training and research capabilities. Making the assumption that the military's medical training and research could be consolidated, we believe that the DoD proposal goes too far in overcentralizing these critical activities at one location in Fort Sam Houston in Texas.

Consolidation has its merits. But we believe that the Pentagon's proposal swings the pendulum much too far. Instead of locating the

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training and research at several bases around the country, these functions would be best performed by the two centrally located bases. Fort Sam Houston and Great Lakes are both excellent bases that deserve serious consideration. This two-base model is a stronger, more secure platform for the future and avoids the syndrome of putting all your eggs in one basket. Or in this case, one base.

This more balanced approach would provide needed savings, operational flexibility and a level of healthy redundancy. It appears that the Pentagon recommendation was made with neither adequate consideration of the military value advantages of keeping the program at Great Lakes, nor the financial risk of implementing the recommended action.

Northeast Illinois, where Great Lakes has been located since 1911, is well-renowned as the outstanding center of intellectual capital in the area of medical care, teaching and research facility. Clearly, the ability to tap into these world class resources for training and research purposes is not something that the military should walk away from lightly. The recommended action to consolidate training at Fort Sam Houston, Texas, as we demonstrated by the DoD's own calculation, is a risky

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venture at best. I say that because the entire recommended action is estimated to cause a bit over a billion dollars, approximately four percent of the entire cost of BRAC rounds. That, by the way, has over doubled the case of the four BRAC rounds of the late 1980s and 1990s.

DoD predicts that it would take 10 years to get a payback on this investment. That is about 15 years from you now. I know very few businesses that would strap on an investment of that magnitude and lengthy payback period. I would ask that you compare this lengthy payback period with actions recommended by the department in previous rounds where the average payback appears to be considerably shorter. And I'm sure that you will conclude, like me, that this is a risky venture, particularly since no investment needs to be made to maintain the status quo that has provided adequate service for many years.

In the same way that key military consideration were not adequately considered, we would submit that the DoD proposal also would have an unintended adverse impact on the local economy that already has not fully benefit that would be both immediate and lasting.

The economic impact of a loss of almost

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2,000 military positions, and a smaller cut in civilian jobs, would take a particular role on small businesses and impact aid to local School District 187 that are the backbone of our community.

For both military value and financial reason, and local economic concern, we urge the BRAC commission to reverse the contemplated downsize of Great Lakes. Based on the record, excellence of training, capabilities and capacity and training redundancy, we would hope that the Commission would concur that Great Lakes is a base that should be expanded, not downsized.

We would like to have this statement in the records and would be happy to respond to any questions that the Commission may have. Thank you.

COMMISSIONER GEHMAN: Thank you very much. And the statement certainly will be entered into the record. Thank you. Thank you. I don't have any questions. Do my commissioners have any questions? I think we do not have any questions. Thank you very much, sir.

REPRESENTATIVE WASHINGTON: Thank you.

COMMISSIONER GEHMAN: We will now take a recess for lunch. And -- one more, sorry. One more speaker. I beg your pardon. Go right ahead. You are

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on my list, I just overlooked you.

MR. LAVIN: Thank you, members of the Commission. My name is Jack Lavin. I'm the Director of the Commerce and Economic Opportunity for the State of Illinois. I want to thank you for your patience in listening and analyzing the testimony that we've given today from our community leaders, elected -- community elected officials, and I'm going to do the close on behalf of the State of Illinois.

As Senator Durbin, Senator Obama and Governor Blagojevich mentioned, Illinois stands behind military men and women both living in Illinois and stationed abroad. As Governor Blagojevich said, we have the highest death benefit of any state in the country for military personnel. We have passed a Military Family Relief Act for those men and women serving in the military overseas. We have in-state tuition for all our military personnel. We have passed -- we've worked with our Illinois EPA on encroachment issues to allow growth for our bases. We've done land use planning through executive order from Governor Blagojevich. All of this adds up to a state that is military-friendly and provides a great quality of life for its military men and women.

Illinois takes special pride in its bases

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and is willing to invest in them to insure military value is maximized. We have a long track record of these investments, including, for example, at Scott Air Force Base, and we stand ready to do more. At Rock Island Arsenal, one of our investments is our $200,000 grant to the Rock Island Arsenal Development Group, which has enabled that organization to recruit private rent-paying companies to set up shop in underutilized portions of the island. The rent paid by these organizations goes to the arsenal and offsets the government's ownership cost for the facility.

The Arsenal Support Program Initiative is good for both private industry and government. We want to thank Iowa for their matching contribution on this program and we look forward to continuing our strong bi-state, bipartisan effort to strengthen the arsenal, which has a higher military value and is more cost effective than, for example, Warren, Michigan, where some of the TACOM operations are proposed to be switched to. And we believe this is a substantial deviation from the BRAC criteria.

We also stand ready to make the investments for the Springfield Air National Guard Base for munitions storage and alert pad. The Illinois National Guard and the Springfield Airport Authority

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have drawn up plans for munitions storage and alert pad at the airport. This will allow air sovereignty missions to be conducted directly from Capitol Airport with no additional support required. This will increase the military value of the base at no cost to the Department of Defense, and Springfield is already at a higher military value than Fort Wayne. The State has already provided an $18,000 grant for a feasibility study which has already given us positive results about locating a munitions facility and alert pad at the airport. The State will participate in funding capital costs for this munitions storage facility and alert pad with the Airport Authority and others. This will be cost-effective. It will add to military value. And these are significant BRAC criteria.

Illinois stands ready also to assist Great Lakes in a similar manner and avoid what we think is a risky consolidation, as Representative Eddie Washington said, that would be undertaken -- that would never be undertaken by the private sector, and one which the country can ill afford to make in these tough budget times.

I want to thank the Commission for its time and reiterate that we are not here merely to support

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jobs in Illinois or be parochial. We support well-founded BRAC decisions by the Department of Defense as they are likely in the long-term best interest of the nation. We are only here to point out instances in which the Department of Defense has substantially deviated from the requirements of the BRAC legislation, military value, military readiness, cost savings and effectiveness, homeland security, all resulting in decisions contrary to some sound military and financial judgment. We have tried to provide facts today. It's not rhetoric, it's reality. Thank you very much.

COMMISSIONER GEHMAN: Thank you very much, sir, for your testimony. And with that, I think we do bring the morning session to a close. We will resume at one o'clock. Thank you very much.

(Whereupon a break was taken at 12:23 p.m.

Proceedings resumed at 1:04 p.m.

COMMISSIONER GEHMAN: All right. The hearing is resumed. As required by the statute, witnesses must be sworn, so we'll ask you to be sworn by our designated federal swearing officer here. Go ahead.

(Panel sworn.)

COMMISSIONER GEHMAN: Thank you. Please be

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seated. Welcome. Before we get started and before the witnesses begin, let me remind the witnesses that we are under some fairly severe time constraints. We want to hear from four state delegations today and the fourth one is just as important as the first one, so I ask your indulgence as I try to keep us on schedule, because we do indeed want to hear from everybody. With that caveat, sir, the floor is yours. Welcome.

CONGRESSMAN LEWIS: Thank you. It's a pleasure to be here. Congressman Hansen and Admiral Gehman and General Turner, I appreciate this opportunity to appear before you on behalf of the Second District of the Commonwealth of Kentucky. Senators Mitch McConnell and Jim Bunning were unable to join us today, but I would like to submit their joint statement for the record.

COMMISSIONER GEHMAN: Absolutely. We'll do that.

CONGRESSMAN LEWIS: Joining us here today is the Executive Director of the Kentucky Commission on Military Affairs, Retired Army Brigadier General Jim Shane, who will present the Commonwealth's transformation that is proposed by the Secretary of Defense Base Realignment and Closure recommendation.

Included with General Shane's presentation

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will be a couple of issues we would like the Commission to examine. In addition to General Shane from the Fort Knox community, we have Major General Bill Barron, U.S. Army retired, Executive Director of the Association of the United States Army, Fort Knox Chapter; Judge Harry Berry, Hardin County Judge Executive; Radcliff, Kentucky Mayor Sheila Enyart, Elizabethtown Mayor David Willmoth; and Lincoln Trail Area Development Executive Director Wendell Lawrence. Michael Vowels and Dan Holmes are here from the Louisville Detachment Community Delegation, and Brigadier General Retired Julius Berthold from the office of the Adjutant General.

I would like to, first of all, thank these people for all their hard work on behalf of the Commonwealth. Additionally, they are here to answer any detailed questions that General Shane and I are unable to handle. Our military is undergoing an important transformation in order to adapt to the new national security environment, and the Secretary of Defense recommendations for Kentucky's military facilities reflect those changes. As a former member of the House Armed Services Committee I understand the need for conducting this base closure round and believe the recommendations from the Department of

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Defense provide the Commission with a good starting point as you begin your deliberations. The Commonwealth of Kentucky is home to three major installations, Fort Campbell, Fort Knox and Bluegrass Army Depot. In addition, the Commonwealth has significant National Guard and Reserve forces, and facilities including the Western Kentucky Training Branch.

On the whole, the Commonwealth is pleased that DoD appreciated the vital roles played by Kentucky installations and communities in enhancing our national security. Bluegrass Army Depot and Fort Campbell will remain important parts of the Army's future and our Guard and Reserve's assets will remain strong.

We are pleased that Fort Knox remains a valuable asset in the Department of Defense inventory. However, General Shane will address two concerns we have with the Secretary's recommendations: The downgrading of the Ireland Army hospital at Fort Knox to a clinic, the realignment of Naval service workers in our Louisville detachment.

During my time before you, I would like to talk to you about the unbridled spirit that makes the Commonwealth a great place to live and work, as well

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as introduce the concerns that General Shane will address in greater detail during his presentation.

The gently rolling central part of the state, the bluegrass region, lies to the north, and the Mississippi and plateau to the south, separated by a chain of low steep hills calls The Knobs, and houses the Bluegrass Army Depot. Western coalfields bordered on the north and northwest by the Ohio River lies in the Illinois basin as home of Fort Knox. The southwest corner of the state provides excellent training areas at the Western Community Training Range as well as housing the finest fighting force ever assembled anywhere at Fort Campbell.

Our local climate is military friendly as the lack of extremes in temperature, heavy snowfall, flooding and storms has allowed good preservation of the installation's infrastructure and contributes to a moderate utility consumption, minimal storm damage and overall lack of deterioration.

In addition to a military-friendly climate, the Commonwealth boasts a great quality of life. For decades Fort Knox has forged productive relationships with the local communities to adapt to the changes at the installation. Fort Knox's surrounding community is a great place to live with excellent quality of

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life. Fort Knox community schools provide quality education and cater to the needs of the military families. Within our community there are 34 nationally credited childcare facilities. The elementary level has a fully-integrated preschool for at-risk four-year-olds and disabled three-year-olds. The middle schools provide a strong core curriculum enhanced by a vast array of exploratory courses and extensive extracurricular activities. The three high schools offer a curriculum that offers more than 250 course offerings as well as extensive technology opportunities.

Furthermore, to accommodate summer rotations at Fort Knox, the district school calendar is considered an alternative calendar with the school opening the first week of August and two-week breaks at intervals during the fall, winter and at springtime. Students will attend school for 175 days. Also, I'd like to mention our higher education opportunities in the community. The average high school graduate rate is 96.8 percent. The U.S. average is 67.3. The average composite SAT-I score is 1115. The U.S. average is 1026. The average ACT score is 21, and the U.S. average is 20. Available graduate PhD programs would be 13. Available colleges

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and/or universities 29. And available vocational and/or technical schools are 25 -- or is 25.

Fort Knox enjoys low cost of living, low airfares, adequate per diem and a high quality of life for its residents and visitors. The greater Louisville metropolitan area is rated in the top 10 metro areas for military quality of life, and fifth best family-friendly metro is within 30 miles of Fort Knox. This affords the community access to an international airport, fine dining, sports entertainment and the arts.

Furthermore, great recreation opportunities are available to the surrounding community. Fort Knox enjoys superb local and state partnership with the Governor's office, Kentucky Commission on Military Affairs and Joint Committee on Veterans Affairs, Military Affairs and Public Protection. The Kentucky Bluegrass Challenge Academy, which is a great program for troubled kids, Troops to Teachers Program, Regional Core Committee Group, the local Mayor's Advisory and Chamber of Commerce Partners, and Joint Land Use Study, a committee which has been operative in precluding an encroachment .

Fort Knox also maintains a close interface with the state's congressional delegation to be

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advocates for Fort Knox and the Department of Defense. And the State has invested in the surrounding infrastructure to enhance the installation's capabilities. These investments include, but are not limited to, $50.7 million that have built Highway 313 which supports deployments and logistical support for a NanoRange. 7.5 million that has rebuilt 31W and provided unimpeded access to the bat museum, and 19.50 million which built the Fort Knox to Elizabethtown connector improving access to southern Hardin County.

Because of the great local and state support for Fort Knox's mission, the post does not have encroachment problems that restrict training and operation that many other Army posts do.

Physical encroachment is significantly limited due to the intergovernmental cooperation and planning with Fort Knox leadership.

These are just a few of the attributes that caused Fort Knox to be ranked number twelve among Army bases nationwide in overall military value. I firmly believe that Fort Knox is invaluable to our country's national security and I am pleased to see that the Department of Defense recognizes its attributes as well as the valuable maneuver acres and training ranges at Fort Knox.

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The Army intends to transform Fort Knox from an institutional training installation to a multifunctional installation that will be the home to operational Army forces and various administrative headquarters, and while we are saddened to see the armorists will be leaving, we embrace these changes and wholeheartedly welcome the operational Army back to Fort Knox.

As an installation, Fort Knox consists of 109,000 acres, about 4,000 acres larger than Fort Campbell, and 16.4 million square feet of facilities. This includes 6,000 buildable acres. This also includes nearly 3,000 family quarters and we are excited to be part of the Army's plan for privatizing housing. Additionally, Fort Knox houses 72 BEQ SOQ spaces and 634 transient quarter spaces. The installation houses the Army's most technologically advanced mounted urban combat training site, offering a realistic training environment, and many times the urban and restricted terrain, and the new Wilcox range, the most technologically advanced armor range in the world.

Additionally, the availability of the assets of the National Guard's western Kentucky's regional training center currently under partnership with the

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Commonwealth of Kentucky and Fort Campbell provide additional maneuvering space, and approximate that effectively replicates the actual distances between -- between the support and operational forces when fielded.

Additionally, Fort Knox has nine light rail loading ramps that can load up to 174 railcars simultaneously. Historically the installation outloaded and supported the 194th infantry brigade with many large rail movements. Godwin Army airfield has two runways that Air Force C-130s use for training and could be used for troop and/or equipment lift purposes. Godwin airfield is currently the home of the Eighth -- Eighth Squadron 229th Reserve attack helicopter battalion.

The Louisville International Airport is only 36 miles from Fort Knox and can handle all size military and commercial Air Force for large troop and/or equipment moves. The airport routinely deployed the 194th infantry brigade in the past and is home to the Kentucky Air National Guard's 123rd Tactical Airlift Wing with organic C-130 aircraft and loadout facilities.

To further support the power projection capabilities of Fort Knox, the 123rd is scheduled to

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receive four additional C-130s through this base realignment round.

Finally, Fort Knox borders the Ohio River and can outload trips and equipment via barge in Louisville with a seven-day transit time to New Orleans, Louisiana.

Fort Knox is also close to connections with the interstate highway system at Interstate 65, north/southbound, Interstate 64 east/westbound and Interstate 71 north/southbound.

During the global war on terror activities Fort Knox mobilized over 3,100 soldiers from 54 units for overseas deployment and over 2,600 soldiers from 40 different units for homeland defense missions. Demobilization has seen similar numbers. Multi-modal combination of installation's transportation assets makes Fort Knox a vital military link in the southeastern United States and one within two hours flight time of the major population centers in the Midwest, South, Southeast and Northeast. These are just some of the reasons why Fort Knox offers many advantages to the Army for the current assignment of the unit of action.

In summary, Fort Knox can immediately host a unit of action and can accept a second unit in 90

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days, and can easily transform from its current role as a power support platform into a robust power projection platform capable of deploying significant combat power all the while providing significant and dedicated live and simulated training at operational and cost advantages.

The community is excited to again host active forces as it did successfully for 20 years with the Army's largest brigade, the 194th, which was deactivated in 1994.

Under the Secretary of Defense recommendations, not only will Fort Knox remain a valuable DoD asset, it will welcome the return of combat troops for the first time in a decade with addition of a live unit of action. The Army intends to transform Fort Knox from an institutional training installation to a multifunctional installation that will be the home to operational Army courses and various administrative headquarters.

I look forward to working with our fellow congressional delegation members in Washington, and the community, to facilitate the changes necessary to transform Fort Knox into a premier power projection platform. We are also pleased that the Army has consolidated soldier management at Fort Knox with the

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relocation of Human Resource Command, Assessions Command and Cadet Command, Army Reserve Personnel Command and an Army Enlisted Records Branch 100th Division, IT Headquarters, and 84th Army Reserve Readiness Training Center. These missions will benefit from synergies available from being collocated at Fort Knox. During this transformation, the Fort Knox community will continue to be a vibrant and well-rounded home for soldiers and their families.

As the Fort Knox community changes and embraces this transformation, we would like to encourage the Commission to re-examination the downgrading of Ireland Army Hospital to a clinic. We believe it's essential for Fort Knox to maintain a strong medical capability on post, especially now that a brigade contact team will permanently call Fort Knox home, and soldiers will require the level of care required by a full Army hospital. We believe that the arrival of these new troops, mandates a review of this recommendation.

The hub of activity is the Ireland Community Hospital located at Fort Knox which serves the Fort Knox community with primary and specialty care providers. Members of the MEDEX team staff, a troop medical clinic and a battalion aid station provide

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acute care services to Knox soldiers and trainees.

In addition to Kentucky, Ireland Army Community Hospital's area of responsibility also includes Ohio, Indiana, Michigan, Illinois, Wisconsin and Minnesota. Within this seven-state area, the MEDEX serves the active-duty population, many of whom are in isolated areas where they serve as recruiters and trainers.

To serve our troops outside the Fort Knox area, we have clinics in Kentucky, Wisconsin, Michigan and Illinois. Ireland Army Community Hospital has an enrollment of 25,246 tricare prime patrons. In addition, Ireland currently sees, on a space-available basis, tricare standard patients, as well as having an embedded veteran's administration clinic within the facility.

Ireland Army Hospital hosts the Army's second largest blood donor center for the Joint Armed Services blood program. It serves a region with the mobile blood donor program collection, processing and testing blood and blood products for shipment to theatre, and Conus and Old Conus medical facilities. It is also a repository for the DoD frozen blood program.

The hospital operates one of three Army

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nucleic acid testing labs for the HIV, HCV and West Nile Virus for every blood sample drawn east of the Mississippi.

Also resident as part of the hospital is the third largest of the Army's seven optical fabrication labs providing direct support to four Air Force bases and Forts Leavenworth, Riley, Campbell and Maumee.

Ireland supports mobilization for multiple power protections and power support platforms and is the headquarters for all Army medical programs, medical maintenance operations, resources and industrial hygiene activities for a seven-state region. I have to include all MEP stations and all other Army medical enterprises within the region.

Ireland also houses multi-occupational health clinics, primarily care clinics and direct management of medical programs for three major power protection platforms, McCoy, Atterbury and now Knox. It is the focal point for all medical hold operations and referral, destination medical hold for all deploying and reploying soldiers, medical soldiers readiness processing and all medical class A purchasing for deploying units for McCoy, Atterbury and Knox.

The hospital also provides technical

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oversight for occupational health of, two major nerve gas destruction sites, plus major industrial plants at Rock Island Arsenal, Illinois, and TACOM Warren, Michigan.

As mentioned previously the hospital is host to the Department of Veterans Affairs, a community-based outpatients clinic, a joint venture with VA medical center. Louisville maintaining an enrollment of 4,000 veterans with 8,500 annual clinic visits.

In order to fully support these current activities and the additional needs of a changing demographic that will accompany the incoming infantry brigade, I ask the Commission to maintain Ireland's current status as a full-service Army hospital. I believe it's essential for Fort Knox to maintain a strong medical capability on post, especially with addition of a brigade combat team and as soldiers and their families will require the level of care delivered by a full Army hospital. I believe that the arrival of these new troop mandates a review of this recommendation.

I would then like to return my attention to the Louisville detachment of the Naval Service Warfare Center Division. And also I would like to ask at this

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time that a statement by Senator McConnell and Senator Bunning and Representative Northup be included in the statement.

Among the many challenges faced by the BRAC commission are the need to dig beneath the surface of recommendations to determine the proper balance between achieving government consolidation and supporting public private partnership. The Department of Defense has recommended creating an integrated weapons and armament specialty site for guns and ammunition. While we have no objection to that recommendation in principle, we believe that the recommendation incorrectly proposes realignment of personnel from the Louisville detachment.

Simply put, fewer than 10 positions of the proposed 223 that are to be either eliminated or relocated actually fall under the realignment recommendation guidelines. In fact, the Louisville detachment mission is focused on manufacturing, shipboard integration and life cycle support of Naval armaments. As I said, only a small portion, actually one percent of its work and its workforce is involved with research and development activities that might arguably contribute to the work of the proposed new center.

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Moving these employees would disrupt the installation's work in providing direct and user support and in-service support of armaments to the warfighter.

In addition, this recommendation would upset a decision of the 1995 BRAC Commission that specifically privatized and placed this workload. Since that time the cooperation between installation and its contractors has been a model of success, public/private partnership. We urge you to examine the underlying mission function of the Louisville detachment to determine that its work does not fall within the intended scope of the recommendations realignment.

We are extremely pleased with the Department of the Army's decision to include the Adjutant Generals of each state in the decisions to transform the Guard forces. Kentucky's Guard and Reserve forces have been active participants in the war on terror and deserve the respect that their active brethren receive.

We applaud the efforts to insure they also receive the quality of training opportunities that will exist at the new armed forces reserve centers that the department has created.

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Furthermore, we welcome the addition of four C-130s as we right size the Louiville Air Guard to 12 aircraft. This further supports Fort Knox's ability to accomplish its mission.

Shifting our attention to Fort Campbell, I am pleased that Fort Campbell remains one of the premier power projection platforms in DoD's inventory. To facilitate the formation of a multifunctional aviation retainer at Campbell, a TAC aviation battalion will relocate to Fort Riley, Kansas. Four infantry brigade combat teams, a multifunctional aviation brigade, a containment brigade, a unit of the execution headquarters, the Fifth Special Forces Group and the 160th Specials Operations Aviation Regimen will remain at Fort Campbell.

Based on the net impacts of modular force transformation and BRAC-related actions, there will be an increase of approximately 300 soldiers over the FY 2003 to FY 2011 time period.

And we welcome these additions. We look forward to working with the department to ensure that our warfighters at Campbell are well equipped and prepared. We have long worked with DoD to insure that we meet our treaty requirements and protect the people who live near the Bluegrass Army Depot. We are

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pleased with the department's decision to consolidate operations such as emissions, maintenance and create and Armed Force Reserve Center and Field Maintenance Facility At Bluegrass. Bluegrass Army Depot will gain a new importance as the DoD munition center of excellence as well as becoming a focal point for one of the most critical aspects of Army combat capability -- the ammunitions on which our soldiers depend.

In conclusion, the changes at Fort Knox, Fort Campbell, Bluegrass Army Depot and for the Kentucky National Guard and Reserves are part of the greater transformation that America's Armed Forces must undertake to fight a new war -- the war of terror.

This administration is focused on building a total force that can respond more quickly to a nimble and deadly enemy, and we fully support this effort.

Now, I would like to turn this over to a good friend, Retired Army Brigade General Jim Shane, who is the Commonwealth's main guy on the Army transformation.

BRIGADIER GENERAL SHANE: Thank you, Congressman Lewis. Congressman Hansen, Admiral Gehman and General Turner, thank you for being here today. It is definitely an honor for me to represent the

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Commonwealth in these deliberation -- I guess the recommendations and their impact on the Commonwealth.

I have prepared a brief statement, but what I would like to do, for the sake of time, is to waive that and get right into my briefing, which really discusses what our concerns are, what we see as some possible missed opportunities that may have been taken advantage of by the Secretary of Defense, and then leave you with a real strong feeling that the Commonwealth of Kentucky can support these recommendations, and that we have supported the transformation process and the strategy that underlines it. We support the BRAC process, the integrity of that process, with people trying to do the right thing for this nation.

So, without further ado, I'd like to just start with my first slide. As you can see, the military installations in the Commonwealth of Kentucky, they are outlined here. There are three major ones that we referred to, that's Fort Knox, Fort Campbell and Bluegrass Army Depot, and there's other regional training areas that we have that complement these major installations. But what this is, it's the sixth largest Army presence in the nation, and also about 375,000 retirees that reside in the Commonwealth

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of Kentucky.

Next slide. The BRAC recommendations, as you well know, had a -- by statute had to look at military value, criteria 1 through 4, to determine what recommendations would be built on. Kentucky fared very well. The Congressman has already indicated the high military value of Fort Knox being number 12 out of 97 installations. And, of course, Fort Campbell is number 14 and Bluegrass Army Depot is number 45. Those three major installations in the Commonwealth was in the first and second quintiles of the overall military value assessments made by the Army. And we're very proud of that fact.

Next slide. I'd like to just discuss the recommendations with regard to Fort Campbell very quickly for you. I've laid these out for you. What I'd like -- the red are losses. Of course the blues are gains to that particular installation. The numbers that are outlined here are numbers that were extracted from the COBRA runs themselves. As we've already heard here today, it's a fact that there's a lot of debate, a loft discussion about the numbers of COBRA. But we feel like they are an accurate depiction of what we see here.

With regards to Fort Campbell, we have no

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concerns, we recognize the loss of this Attack Aviation Battalion is a part of an overall strategy by the United States Army, part of a transformation called redesign -- the modular redesign to support a multifunctional aviation bridgade at Fort Riley. So we support that.

Secondly, we feel like there is a missed opportunity here with regards to an opportunity to achieve jointness. Fort Campbell did look at a feasibility study which looked at the possibility of providing some large-frame aircraft, primarily C-17s, C-130Js to enhance our rapid deployment capability. That feasibility study is in the book that we provided you and it says that that is feasible, of course. So...

Next slide. Bluegrass Army Depot, no losses. This is simply a transfer to -- of workload to Bluegrass Army Depot. I think the comments here we'd like to say is the fact that when you look at creating a munitions maintenance center of excellence, the Bluegrass Army Depot is recognized as a central hub for that. And we would want this Commission to look at that because the capacity to support that function from Red River Army Depot rests with Bluegrass Army Depot. So we have no concerns.

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There's no missed opportunities. And, once again, our community support assessment is that the community can absorb these new missions without any problem, and additional missions, should the desire or the recommendation be made.

Next slide. Fort Knox. We've heard a lot of discussion about Fort Knox today. It's one of the installations that was totally transformed to meet the overall transformation strategy. Several components to it. Seen here, realign the armor center and school to Fort Benning, Georgia. In theory we support that realignment because it represents what we think the Army needs to do to provide synergy within our training strategy for our forces.

As you can see, there is a tremendous loss of individuals here. Tremendous loss of students. We would simply say that you look at that realignment, that transfer of the armor school, that you consider that the services may need flexibility to implement that type of change, because of the tremendous impact that it may have on our warfighting capability. We're the greatest fighting forces in the world today, primarily due to our ability to train and train the doctrine and fight the doctrine.

There are some other areas here which we're

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going to talk about in a little bit more detail. One is to establish an inpatient mission for the hospital and convert the clinic with an ambulatory surgery capability. We will -- we do have a major concern with that, and we're going to ask this Commission to examine that very closely. And in your booklet we've provided a white paper for you that lays out the details and our concerns, and I will discuss those.

The additions here are indicated that we received a warfighting brigade, a light infantry brigade from the 25th division. We're glad to have a warfighting unit back at Fort Knox. It replaced the 194th brigade that left in 1994. We do have the infrastructure -- the training infrastructure -- the capacity, the maneuver acres and everything to support that brigade.

Likewise, you'll see there is -- under the global repositioning strategy there's announced return of a thousand individual forces to CONUS. We will receive approximately 2,000 -- 1700-plus of those from Korea and Europe, rounded out, and Kentucky will -- Fort Knox will be the home of those. We receive Accessions Command, Cadet Command, and the 84th Regional Reserve Training Center. Those are readiness issues that were addressed -- the synergy of that.

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We also talk about the Human Resources Command. And I really intended to come here today and talk to you about what a great idea that was that the Army saw the wisdom of taking the personnel functions and establishing a personnel center of excellence and how that made good sense. I have served probably ten years of my military career in Human Resources Commands. It's gone through several renditions, but I kind of understand very, very well the workings of that command. I personally will tell you that that decision to look at combining the personnel management functions of the Army, which includes St. Louis, Indianapolis, Alexandria, Virginia, to come in and be with United States Army Recruiting Command accompanied by its parent headquarters, now Accessions Command, it all makes sense.

I can also tell you one can get wrapped around the cost figures associated with that. I know that's been discussed. I would simply leave this thought with you with regards to the cost. We, likewise, like our sister state, Missouri, noticed that there was no military construction listed in the COBRA. So we did a little preliminary run and we looked at it and said what if it was $150 million. If the cost of military construction to consolidate and

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collocate these functions was $150 million, there would be an immediate pay-off today if that was implemented.

So I find the logic here and the funding behind it. It makes good sense to still look at the alternatives. I think it makes good sense to move it from leased space to an installation where the force protection initiatives and regulations can be governed, and insure that our forces and civilians are protected with regards to that. So I think there's immediate savings associated with that. And I also say I'd be remiss if I did not address that.

The next slide. There's some other units here that round out that. This is a tremendous transformation/realignment for the United States Army to create a multifunctional installation complemented with a warfighting unit. And there still remains at this installation with the vacating of the armor school tremendous capabilities, tremendous capacity to continue to be looked at as an installation that has tremendous potential to serve other munitions and needs of America's Army. And so I'd like to talk about that.

Our concerns with downsizing the Army -- Ireland Army Hospital, I'll talk about that. There's

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a white paper at tab B. The missed opportunities -- we saw two. One was, of course, maximizing Fort Knox's training capacity. And I just want to give you a flavor of that this afternoon. And the other is the personnel life cycle management functions, the consolidation of the Army recruiting school with parent headquarters would make sense, likewise. So the entire collocation and consolidation, that was not considered. I think it was just simply an oversight because it fits right in with the overall strategy intended.

Let me reassure you, and the Congressman has already done this, the community supports assessment. The community can support the infrastructure. It can support these missions and it can do so -- it can assess and support additional missions likewise. I have reviewed indepth the analysis that's done. The infrastructure is there. It's just a matter of making the decision to move forward with how we're going to support the warfighter in our training and our -- and the rest of the functions that we need to make sure that we have a premier flying force like we have today.

Okay. Next slide. Real quickly, when we look at Ireland Army Hospital, I think it's

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interesting to note that the Medical Joint Cross Service Group, when they looked at this, every indication that I can see, and we looked at the data, it did not reflect the in-state of the realignment actions that occurred for Fort Knox. We could look at the tricare estimates, one with the growth from 2005 out to '08. You can see a tremendous increase here, 27,800 to 39,250.

If you look at the OB part of the workload alone, the growth based on the in-state, we're talking about here, 5800 or so additional soldiers, plus family members, the OB workload increases from 38 to 60 births and low. Say, well, the local hospitals can absorb that. Well, they cannot. I believe we have backup here today with Judge Berry and other members of the community to validate that, but the bottom line is they cannot absorb another five to seven hundred births. We don't have that. So it's imperative that that hospital be kept.

The other considerations back -- when you look at Fort Knox and you look at the excess training capacity that it has, it's capability, it is an installation that will be left -- that will have a high probability of being looked at for add admissions in the future. What I'm talking about is the

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admission -- when you remove the Army from 43 modular brigades to 48 sometime in the future, and the 20-year force structure plan, then Fort Knox becomes a strong candidate for one of those. So the probability of future growth is there.

The last issue is one that we should never forget, as we support and all-volunteer force. The medical support, the warfighters, family members at in-state Fort Knox simply cannot be looked at as an entitlement that they look for. That's an eroding one. We need to insure that the quality of medical care is sustained and maintained in order to support those men and women who are fighting in this nation's wars.

So our recommendation is we'd like for this commission to look at this in detail and we would like to see a -- the hospital retained with a full inpatient and outpatient capability.

Next slide. I'd like to give you a few notes, if I may. I'd like to talk to you about what happens when the armor school leaves, a premier training installation probably in the world, and we have spent millions -- really hundreds of millions of dollars in creating this premier training installation. One thing is Zussman Mounted Urban

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Training Center -- I'd like to make just a couple comments about this. It is a very special mounted training center. We found ourselves today entrenched in Bagdad. We find ourselves in Afghanistan. We find ourselves with looking at mounted urban training centers and how we are going to fight. This is the only training center -- urban training center in the Army that is reinforced with brick and mortar to accommodate the M-1 tank and the Bradley. It is a robust mount. It's like Hollywood-type effects. It's like going through a real battle in an urban environment. It is premier. So it's -- it provides a target capability. We have special forces come here and train in this environment. It's a 22-plus million dollar operation, and the cost of doing business their annually is between 1 and 1.5 million dollars annually.

So unique about this is once the training goes through, whether it's a company or a battalion, and it's using the rest of the tier of the northern complex with regards to Fort Knox, they have a command and control capability to look at that training activity, download it on film, have a real strong after-action review to improve our warfighting capability. It is truly a special training facility.

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Okay. Next slide. One of the challenges that Fort Benning is going to have is to look at the reproduction of the Army tank ranges. When you look at the Wilcox range and, of course, Congressman Lewis knows this so well because he has been on the cutting edge, on the tip of the spear, so to speak, with regard to getting the appropriation dollars to upgrade these ranges for the Commonwealth.

So if you look at Fort Knox Wilcox range you're looking at $35 million facility range that covers in excess of 1400-plus acres with a capability -- a range span of 5,720. Almost four miles. Tremendous capability. Once again, it has the upper action review capability, command and control to support that. It butts up to the Zussman complex. It can use that. It consists of two road.

Next slide. Give you another look at it. Two major roads that goes down the middle of it, each about four kilometers in length. It has 59 stationery armored targets with 57 different positions. 149 station infantry targets in 23 different locations. Six moving armored targets. Seven infantry moving targets. And the list goes on and on. The range is designed to accommodate major training events for the M-1 tank and the Bradley, but it can also be used to

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accommodate gunnery for the AH-1 helicopter and the OH58 and the AH64 Apache. And we've seen that Fort Campbell uses that in support of their training. It is a great facility to work and train. It's world class.

Okay. Next slide. I leave you that thought with regards to the training infrastructure as we posture America's Army for the future and you look at various installations, and so forth. I just want to leave you this thought. Fort Knox is one of those installations that has an excess of training capacity for additional measures.

Next slide. Also if you look at after -- when you look at the stationing concept approved by this BRAC, and you look at where those modular brigades are going to be, what you find is that we are truly stretched with regards to the positioning of these brigades, warfighting brigades, accompanying those coming back from overseas to the major warfighting installations we have today. There is a negative excess range shortage. We are maxed out to capacity.

So I just leave that thought because as you deliver -- as you look at the final recommendations, these are well spelled out. These are not Fort Knox's

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or General Shane's or Councilman Lewis's numbers, these are right out of the Army sources, Volume 3, Tab 28. So I leave that thought with you that, you know, movement of these brigades is a serious matter.

Next slide. I'd like to talk a little bit about the Kentucky Army National Guard Reserve transformation. Next slide. These are the gives and the takes, the adds and the losses, with regards to the Reserve transformation. I'd like to add for the record that our Adjutant General was very, very active in the deliberation of supporting this reserve transformation. We do support the transformation effort, consolidation. Our governor supports the idea of supporting a National Guard and the Armed Forces Reserved Centers as being established. I think there was 125 of them throughout the nation. It makes good sense to fight as a total force. This is the way that they have done this.

A comment regards the CH-130s here. The 123rd Airlift Wing in Louisville used to have 12 aircraft, the reduc study took it to eight, and it is a premier -- just like we heard today from other airwings, it is absolutely superb. So -- and it is operational capability. It's safety record and all is very, very good. In fact, it's among the very best in

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the Air Guard, if not the best. We have no concerns with this. There was no missed opportunities. The infrastructure was supported.

Next slide. I'd like to now talk about the area that the Congressman talked about in detail here. It's the recommendation that involves the Naval Surface Warfare Center in Louisville, Kentucky. And the recommendation was to form an integrated gun ammunition center with R & D at Picatinny. Now, once again, I think we provide you with a very detailed white paper in the back of the book that discusses this, but I do want to take an opportunity to get a few points here. I'm glad today that I have -- I have Admiral Gehman, and I know Congressman Hansen has naval experience, too. I'm sure this will hit home with you.

Next slide. The first argument -- our first argument and concern with this recommendation, and if you recall there were a total of eight recommendations, eight of them, and most of them -- all of them supposed to deal with the function of RD and T&E and moving that Picatinny to, you know, provide synergy and so forth.

Bottom line is, with the Louisville detachment one percent of that 223 that they

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recommended to send there was really R&D work. So the rest of it, the engineering and manufacturing support, shipboard integration efforts, which is very, very key, it's just -- that's what they do. It's not much difference than other locations, you know, throughout America that represent the armed services.

So, the first point I want to leave you with is, one percent is what we're talking about, by definition, based on their own recommendation.

Next slide. If you look at this recommendation and you look at the current ARDEC sites and the Louisville site, what you find in the Army, you've got Rock Island, which is really a Picatinny detachment in its engineering and manufacturing field support staying at Rock Island. The real support stays in Rock Island. It's supporting Picatinny from there.

The same holds true for one of the many labs, the engineering and manufacturing for space technology. Contact with regards to RD and T&E delphi moves to Picatinny as in a recommendation with some others.

Louisville is very, very similar to the Rock Island model and the Watervliet model. There's not any -- any -- what do we do -- very small amount of

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R&D, and a very heavy amount with regards to engineering and manufacturing support to the ship. It is -- just makes good sense. And the Congressman has already spelled out the agreement between the private public solution and the integration of that. Makes good sense.

The next slide. This slide is one that really talks about the complexity of a two system, the Army system, the Navy system. The Army -- when you look at the Army you're talking about tube and dim the ammunition and the breach. What you might call a very simple methodology when you talk about engineering and manufacturing. But when you look at the Navy, what you find is it's a very complex model. It is one that looks at three different tiers. When you talk about the Navy, you talk about above the deck, interior deck, control deck, and all the automation that supports this. So it is much more complicated than just -- it's vital that we have an understanding of that, and I know you do.

So, next slide. The thing that is probably very, very important in this recommendation is the fact it's tremendous work that they do regards to the engineering of shipboard integration. This detachment, they support the fleet -- the Navy fleet

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and Coast Guard fleet all around the world. If this recommendation is implemented, then I would -- I feel very strongly that the Navy would have to replicate this in some form or fashion because it is critical supporting the warfighter that's out there in the seas. So it just makes good sense. One can question the whether they could do that at Picatinny. I don't think so. But our white paper addresses that in more detail.

Okay. Next slide. I'd like to leave these thoughts with you. These are some of the key points. The industrial partnership that exists is absolutely a critical element of the military support to the deployed Navy forces and Coast Guard forces. It is similar to Rock Island, similar to Vatervliet. The detachment focuses on the end user through manufacturing shipboard integration, and live-cycle support of naval armaments. It's critical to the warfighter. And then, of course, it's an integral part of the Navy's network centric combat weapon systems that support the entire structure. 1 percent is what we're talking about. One percent of the RDT&E work. The cost savings associated with this and the efficiencies provide no cost savings. In fact, we have run our own COBRA model on this and it actually

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costs the taxpayer about $3 million, at the 20-year mark annually. That's this independent part of the cost analysis. So this move truly does not make sense. And we would ask your permission to look at this very closely with the information we provided you with here today.

Okay. Next slide. I think that concludes my part of this testimony today and we would be more than happy to answer any questions you may have.

COMMISSIONER GEHMAN: Okay. Thank you very much. Commissioner -- you both -- Commissioner Turner, of course, visited Fort Knox recently. And I have not been there myself. The -- the -- in the puts and takes at Fort Knox which are thousands and thousands of spaces moving in and thousands and thousands moving out, my perception is that they are different kinds of people that are moving in that are moving out. People that are moving out generally are -- the armor school is mostly students. Whereas you're getting a full-time brigade combat team in, that will be permanent residents with families and all that kind of stuff. What's the -- I gather you're satisfied that Fort Knox can handle all that and that you're satisfied with that move.

BRIGADIER GENERAL SHANE: I think the short

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answer to that is that in 1994 we had the largest Army brigade in force and we handled that with no problem whatsoever, and stood ready.

We also have done analysis that clearly points out with regards to warfighting, this is provided to the Army in early analysis, the fact we can support immediately a combat brigade, and we could immediately, within a very short period of time, support another one. We have done an in-depth analysis that looked at Fort Knox's capability and compared it to other installations, and we can provide a copy of that report that we did for the record if you need it. That clearly shows that we have the capacity to support that very, very favorably.

COMMISSIONER GEHMAN: Okay. No questions? Thank you very, very much. It was very informative and, Congressman, you get the last word.

CONGRESSMAN LEWIS: Thank you. I just want to say we certainly appreciate your service and I don't envy your job. But we certainly thank you for stepping forward and taken on this very important position.

I would just like to say there's a reason that Fort Knox is 12 out of 97, and General Shane just mentioned a lot of those objective and factual

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reasons. You know, any time that the families are looking for a home, they look for location first. They look for cost. They look for community. And the Fort Knox community provides one of the highest standards of living in this country with a low cost of living. And as I mentioned in my testimony, we provide a lot of a great living standard there, and I think anyone would certainly be very welcome in the Fort Knox community, and we are very appreciative of the opinion of the Department of Defense of our community and of Fort Knox. And we agreed with them totally. Thank you.

COMMISSIONER GEHMAN: Thank you very much. We'll now change delegations and welcome the Indiana delegation to the panel.

Good afternoon, as required by the statute we can only accept certified data and sworn testimony, so we will ask you to be sworn in.

(Panel sworn).

COMMISSIONER GEHMAN: Thank you very much. We're delighted to have you appear before us today. We look forward to your testimony. Governor, are you going to lead off.

LT. GOVERNOR SKILLMAN: Thank you. Thank you, Mr. Chairman and members of the Commission. I am

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Lieutenant Governor Becky Skillman. With me today on this panel to my left is John Clark. He's the Senior Advisor to Governor Mitch Daniels. And to my right Dave Reece. He advises both the Governor and the Lieutenant Governor on the BRAC process, and is the Former Executive Director of Crane. So let me start by saying that all of us in Indiana were generally pleased by the DoD recommendations. Our state would, of course, experience a net increase in jobs and our naval support activity at Crane will continue to be a very vital part of our national arsenal.

The people of Indiana and the elected officials have been consistently supportive of the BRAC process in spite of the relatively heavy losses that have been inflicted on our state in prior BRAC rounds. Governor Daniels supported this process during his service as the President's Director of the Office of Management and Budget and he's continued that support as governor. We've continued to believe in the BRAC process as the best way to get the maximum benefit from precious defense dollars and provide our young men and women in uniform with the resources they need in this time of growing peril.

We think Indiana's positive result in this round reflects the dedication and the service of the

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patriots who work at our various Hoozier military installations. We're very proud to honor their long and their distinguished record of service and we would, of course, urge an expanded role for them going forward.

Throughout this process we've taken a straightforward and a professional and a fact-based approach with DoD decisionmakers, and will continue to do so with this Commission. We've consistently measured our recommendations by DoD's own stated criteria. We've always tried to be completely constructive in pressing our case. After thoroughly reviewing the DoD analysis and the recommendations, we will not contest the need to close Newport, nor will we contest the consolidation of Air National Guard F-16s at Fort Wayne. We realize that there may be some efficiency gains by consolidating all of Indiana's F-16 operations at one location. We know that all older F-16s are quickly becoming legacy aircraft as the Air Force transitions into its new role as an air and space force, and Congressman Souder will expand on this a little later.

We want you to know that we're very well positioned to accommodate those additions that are proposed by DoD at both Fort Benjamin Harrison and at

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Fort Wayne. Subsequent speakers are going to discuss this with you in greater detail. We invite comparison to other areas on quality of schools, on roads infrastructure, the availability of both high quality and affordable housing and cultural opportunities. Regardless of how you keep score, we welcome your analysis.

The Major General Emmett J. Bean Federal Center in Indianapolis is just ideally positioned to assist in the efforts to consolidate and transform DFAS operations. It's an effort which has been underway since 1991. This Indianapolis facility is currently the largest DFAS facility in the nation with the most personnel and overall capacity. In fact, this Indianapolis facility alone accounts for 35 percent of the entire nation's excess DFAS capacity. I would point out that a previous BRAC process preserved just the Indianapolis DFAS facility in the proceeding closed the rest of the surrounding installation. This decision and the favorable assessment ratings achieved by the center are tangible evidence of its value . A footnote in the DoD report said that this recommendation supports the administrations urging of federal agencies to consolidate their personnel services.

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So Indiana is proud that this approach closed from an initiative Governor Daniels launched during his leadership of the Office of Management and Budget. We suggest to the Commission that the same good reasons to consolidate related functions at Fort Ben and Fort Wayne also exist for Crane.

The same good reason that cause DoD to preserve Crane support a carefully crafted expansion of its role beyond the DoD recommendations. Further speakers are going to spell out our specific recommendations which are completely consistent with DoD goals and can be accomplished with a minimum ripple effect. But I want to talk for a moment about something that's perhaps even more important, though less quantifiable. And that's how revered and honored military service and the national defense is in Indiana.

I'll not dwell on this, because you may regard it as a predictable expression of pride that could just be replicated by 49 other states, but this strong Hoozier sentiment can be seen in the multiple applications for every job opening at Crane. And with virtually no turnover. It's not unusual to see the second generation following their fathers and their mothers to careers at Crane. It's something that you

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can't measure in statistics but that makes it no less real. And Indiana's always among the national leaders in meeting or exceeding our recruitment goals.

Governor Daniels was proud to commit Indiana to be the first state in the nation to join the America Supports You initiative. This new national effort to send tangible tokens of appreciation for the service of our troops around the world will be steadily expanded in the next few months as initial pilot stage is completed. Indiana was chosen by the White House to begin the America Supports You program because of the extraordinarily supportive sentiment for military service in our state. This sentiment will continue to make Indiana gracious hosts for current and future military installations and activities.

Crane is a great place to grow. The legislature has assured that it will never be encroached on. Even around the very white area that it now occupies. It has much room to grow as it acquires new business, and additional business, inside the DoD. Crane receipts have increased 66 percent since September 11, 2001, far exceeding other technical installations.

Crane has just begun to scratch the surface

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of its private sector university partnership potential that will only enhance its current importance to the warfighter.

We specifically commend our white papers for your review. They address three issues we want to develop in some detail with the Commission staff. One of them that I referenced earlier contains supporting arguments for the DoD decision regarding DFAS. The other two relate to our two specific recommendations in the areas of electronic warfare and special missions at Crane.

In the case of EW we urge the Commission to take a careful look at the application of military value to this recommendation. We think such an examination will suggest the possibility of revisiting the applications of these supposedly vital criteria to Crane. If you agree, we've included corrective measures that can be accomplished with minimal ripple effect. Our paper on special missions calls attention to the critical importance of trusted and established relationships when dealing with special operation forces in the field. Perhaps even more important is the ability to respond completely and quickly to developing situations that can complicate and threaten missions. As a one-stop facility, Crane possesses

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that capability which would be lost if the DoD recommendations are carried through. We urge commissioners and staff members to speak personally with special operations personnel on this point.

We realize the complex nature of this BRAC round and the ambitious goals it has for maximizing jointness. We further understand the need to minimize those ripple effects which may result from suggested changes. We've been extremely aware of that in our suggestions, advocating only that which is absolutely necessary.

We had now like to turn to a more detailed discussion of the issues as they affect Crane. Crane employs in excess of 5,000 Indiana residents from some 30 counties in the southern half of our state, and that's where unemployment runs chronically high. The Crane workforce is highly professional with over 50 percent scientists, engineers and technicians. Crane is the 12th largest employer in the state and the second largest in all of southern Indiana. Our subsequent speakers will detail the importance of Crane's workforce to Indiana, particularly to Crane's surrounding communities.

Crane, however, is much more than a vital economic engine for the State of Indiana. It's a

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critical national defense resource in the midst of what is necessarily a statistical driven analysis. We hope the Commission and staff will allow us to demonstrate what a valuable resource we have in Crane. Not all of these characteristics were captured in the DoD analysis and we think this represents our last chance to bring them to your attention.

First, there's the question of sheer size. Crane has 63,000 acres that are completely encroachment free with no environmental issues. It's remote from any potential terrorist threat and possesses abundant water and power utilities. It has extraordinary physical facilities and an almost unlimited technical workforce, recruitment and retention ability. Crane has tremendous state and community support and it's critical to the economy of its surrounding counties. I'd now like to turn to John Clark who is going to discuss the specifics of our proposals for Crane.

MR. CLARK: The underlying rationale for this BRAC calls for consolidation. Well, that can be accomplished without degrading the mission or compromising the warfighting. The characteristics listed immediately above would seem to constitute almost a blueprint for the ideal facility to promote

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this goal. Yet they were not at all captured in the DoD analysis and will remain ignored unless the Commission brings them as they relate to Crane back into the equation. The naval support activity at Crane hosts the naval's surface warfare center mission at Crane, and the Crane Army ammunition activity which are collocated commands that perform multidisciplinary tasking across ordnance, electronics and electronic warfare products and systems. These two commands have jointly built a cross service capability that leverages share the world class facilities and unsurpassed expertise.

Crane Navy and Army integrated capabilities provide extremely responsive technical and industrial support to the warfighters of all services. This cross service integration has proven to help reduce costs and support rapid deployment to meet the ever changing needs in the global war on terrorism. Crane has a history of hands-on common sense solutions which have developed relationships of trust over time with the soldiers and the sailors they serve.

In our view Crane seems to be a model installation with regard to matching DoD's BRAC goals of joint encroachment-free multidisciplinary low-cost, fast response and provides the capacity necessary to

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grow and transform installations. Yet the BRAC recommendations had no scenarios that took advantage of Crane's high military value and model installation attributes. That tells us that the statistical focus of the DoD analysis mentions much that is valuable.

Our main concern is that the Crane realignment scenarios that DoD has proposed will fragment existing joint capabilities, lower military value, and increase the cost of some programs currently resident at Crane. This seems to fly directly in the face of the goals announced for this BRAC round.

In particular, we'd like for you to readdress the BRAC recommendation to, one, move the depot maintenance workload and capacity or ALQ99 to the fleet readiness center at the naval air station at Whidbey Island in Washington.

And, two, the recommendations to move weapons and armament research, development, acquisition, tests and evaluation to naval air weapons station China Lake in California.

And, three, to move gun and ammunition research development and acquisition to Picatinny arsenal in New Jersey.

We believe that these particular

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recommendations do not reflect BRAC objectives. As stated above, we have offered alternative scenarios that will increase military value and return on investment. We have submitted white papers describing the issues with each of these recommendations and a fairly detailed description of alternative scenarios. The white papers were researched and written by a team with significant experience and expertise in each area, working for the Southern Indiana Business Alliance. In every case the approach has been completely professional and the resulting disruptions and dislocations, if adopted, are absolutely minimal.

I'll give you a brief description of each alternative which, again, are amply supported by either subsequent panels or in the directive.

The first alternative can be referred to as Electronic Warfare Center of Excellence Specialty Site Alternative. Crane currently integrates all aspects of technical and industrial support of airborne, shipboard and subsurface electronic warfare systems for the Navy, Air Force, Marine Corps and Army. This total capability enables Crane to provide extremely responsive total life cycle support, and seems to exemplify the jointness this BRAC was designed to attain. Crane is no doubt the military value leader

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in electronic warfare, blending technical and industrial capability. The DoD recommendation of separating ALQ 99 airborne electronic warfare system depot repair from the rest of Crane's total capability, destroys the synergy of operations and in fact lessens the military value of the ALQ 99 depot. We believe this recommendation does not reflect the industrial cross service group strategy of maximizing military value at the commodity level. We believe the recommendation also deviates from the group strategy of minimizing sites by using commodity level capacity in military value.

Crane has the highest electronic warfare industrial military value and one of the highest capacities. Detailed DoD data indicate that the ALQ 99 depot portion of the merger at Whidbey constitutes more than 75 percent of the cost of the entire realignment and never generates any return on the investment.

In addition, the ALQ 99 is a sunset system that will be replaced in the next decade or so. So the decision that separates its function with the impacts mentioned above seems even more puzzling, in light of its limited shelf life. Our alternative accomplishes the fleet repair level merger objective

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by using technology with a more comprehensive and less expensive end result. Our alternative scenario, creating a center of excellence specialty site for electronic welfare -- pardon me, for electronic warfare also increases the overall military value of electronic warfare which is one of DoD's transformational capabilities. The second alternative can be called the Special Mission Center of Excellence Specialty Site Alternative. The U.S. Special Operations Command and other customers including the Navy, Marine Corps and Army special operations communities have over the last 25 years established at Crane a joint center of excellence called Quick Response High Security Specialty Missions. This center has achieved outstanding success by blending integrated Crane technical and industrial capabilities, including special weapons, ordnance and explosives, power sources, pyrotechnics, visual augmentation devices, targeting devices, security systems and more. The ability to draw on all of these capabilities and develop the tests and acquire at one secure isolated site, has enabled extremely responsive support to the continually changing special mission requirements.

Crane special mission customers have access

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to not only superb technical and industrial capabilities, but also world class test and training facilities including a nearby Crane-owned deep water explosive test capability, extensive air and surface weapons ranges at close-by National Air Guard Camp Atterbury and urban warfare training capability at nearby Muscatatuck.

Many of the details of this integrated capability and its use cannot be discussed due to classification. And we believe were not adequately brought out during the BRAC data calls and scenarios. In addition, there is no category of military value that addresses the functions and technologies that are integrated to provide responsive special mission support.

In the particular area of special mission support, where responsiveness and turnaround time are critical fragmenting what is now available at a single installation and ending up with separate installations for munitions, weapons and peripheral devices, and for research test manufacturer support and training functions, will without question add time and complexity to satisfy these requirements.

In the high-tension world of special operations warfare, time is perhaps the most precious

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commodity next to the lives of our warfighters themselves. Our alternative builds on the BRAC recommendations that create weapons and armament centers of excellence by adding Crane as a special mission site that provides the integrated capability or quick turnaround solutions, and works for the other centers who are focused more on longer term developments.

This alternative provides the centers with a wealth of Army, Navy and National Guard test ranges, Army and Navy industrial capability, and National Guard training facilities available at and through Crane. This alternative also eliminates the loss of expertise the movement of Crane functions would cause us and the duplication of facilities.

As I mentioned, we have submitted white papers detailing these two potential centers of excellence specialty sites that provide additional analysis and justification for you and your staff. We stand ready to help with any additional data and analyses required and look forward to working with you to increase the support capability for our nation's men and women in uniform.

LT. GOVERNOR SKILLMAN: If there are no questions, I'd like to announce the next panel, and

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time permitting I would make a few concluding remarks at the end.

COMMISSIONER GEHMAN: Okay. Actually, before you get away, the next panel is going to go on some other subject, DFAS or something like that?

LT. GOVERNOR SKILLMAN: That's correct.

COMMISSIONER GEHMAN: I do have a question. One is, if indeed you have white papers or information which at least in your view challenges the calculations of military value or anything else, we would very much like to have them. We view you and your staff as adjuncts to the Commission, and by doing it that way we get thousands more analysts working on this issue. So we would very much like to have whatever it is that you're speaking from or whatever it is that you use to come up with different numbers, so that we can adjudicate the difference.

I have a question about Crane. Actually, it's a question about depots in general. And that is, is my understanding correct, without getting into any specifics, but I assume Crane is a working capital-funded organization. Some customer has to pay for everything you do there?

MR. REECE: Yes, sir, that's correct.

COMMISSIONER GEHMAN: So the overhead has to

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be passed on into the products, and if they take a piece of your industrial capability out, like these four recommendations do, actually take four pieces out, now your overhead has to be passed on across the smaller industrial base. Therefore, on a per unit basis you're passing on more overhead.

MR. REECE: Yes, sir. There is some overhead that moves with the functions, but in general that is correct.

COMMISSIONER GEHMAN: But what I mean is if they move the ALQ, whatever it is, function up to Whidbey Island, you don't get to reduce the number of gate guards or the fire protection or the people who mow the grass? I mean, you don't get to reduce any of those people, so now your firemen and your policemen overhead has to be passed on across a smaller product line. Therefore, your rates are going to go up.

MR. REECE: That's correct, sir.

COMMISSIONER GEHMAN: And that's something that we have to think very seriously about, because that's generically true to all depots and working capital-funded organizations, whether or not you want to piecemeal them to where your rates get too high. Okay. Commissioners, do you have any other questions?

COMMISSIONER HANSEN: I don't know if I read

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this correctly or heard you correctly, but seems to me that you obviously feel that the BRAC -- the folks putting BRAC recommendation together didn't do a very good job when it comes to Crane, and that you folks came up with three recommendations; is that correct, Mr. Clark?

MR. CLARK: We came up -- we are generally supportive of all the recommendations that were made affecting Indiana, but for those specifically enumerated at Crane. And we have endeavored to offer specific alternatives to those that were proposed.

COMMISSIONER HANSEN: May I ask who or how you did that? What was the methods you used to come up with those three recommendations?

MR. CLARK: Well, Mr. Reece and I will both comment on that.

COMMISSIONER HANSEN: Let me finish the question.

MR. CLARK: I beg your pardon, sir.

COMMISSIONER HANSEN: Also, have you bounced those off the folks in the Pentagon, brought them into those folks and say, look at this, we have got a better idea than you have? We're always looking for better ideas. That's one of the things the BRAC Commission is looking for, better ideas. I'd be

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curious to see your methodology and how it all came about.

MR. CLARK: I would say we tried to anticipate everything we could prior to the recommendations themselves actually being announced. Following their announcement our principal focus has been on gathering the data that, frankly, in some instances has been less than forthcoming, not for any conspiratorial reasons, just a lot of information. And we have from the beginning tried to be very constructive and very forthcoming with the Pentagon analysts to whom we have had access. We have been dealing primarily with policy officials as opposed to the analyst themselves, while the BRAC recommendations were being announced. We fully intend to meet again and corroborate, validate, our data with people at the Pentagon.

LT. GOVERNOR SKILLMAN: Commissioner Hansen, I would add that BRAC Commissioner Sam Skinner made a visit to Crane just two weeks ago and we did go through the proposed alternatives with him and the analyst that was there on that day.

COMMISSIONER HANSEN: What kind of response did you get from the folks in the Pentagon? Did you get a favorable response to look into it?

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MR. REECE: I think in the meetings with the Pentagon officials, which was preannouncement, that we stressed all the strengths of Crane. We did not give them a particular alternative because we didn't know what the recommendation was at that point, of course. But what we did in lieu of that was stress the functions at Crane and the military value of Crane, and they were happy they were going to put the information that we gave them into the process. I don't know if that actually happened or not, but that was the response.

COMMISSIONER HANSEN: So this is a work in progress then. You're still pursuing this?

MR. REECE: The two alternatives that actually hit on three of the four recommendations on Crane are actually included in the information that I gave you as a couple -- there are two white papers in the back of that that have the data, and we have now had a chance to review the COBRA data from the Pentagon and some of that analysis is also in those two white papers.

COMMISSIONER HANSEN: Thank you.

MR. REECE: And we have updated -- we gave two of your analysts, David Epstein and Les Farrington, when they came out, kind of an outline of

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these proposals. And we have now also sent them today the same thing that you have gotten today electronically.

COMMISSIONER GEHMAN: Thank you. Next panel.

REPRESENTATIVE SOUDER: Congressman Mark Souder. I appreciate the opportunity to testify today and for your willingness to listen not only here but all across the country. I'm going to ask my state -- written statement be put in the record.

COMMISSIONER GEHMAN: Absolutely.

REPRESENTATIVE SOUDER: I've been here all day listening to the testimony. I'd like to cut to the chase. First off, I think the defense department did a great job. My district obviously gained. I have some concerns about Crane. We're a major electronic center and we work cooperatively with Crane, which is a lot easier, even though it's hours from my district. It's a lot closer to Whidbey Island to work in these cooperative projects.

But I represent northeast Indiana, specifically Fort Wayne, specifically the Black Snakes, the 123rd Air Guard Wing. And what's important about that is earlier you heard from Springfield because their planes are moving to Fort

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Wayne, as well as the planes from Terre Haute. I want to cut to the chase here. One of the major arguments was that their Air Guard facility scores higher in the military rating. Let's get right to the specifics with that.

First off, it was a bit ironic because in Peoria they scored lower but were getting planes in and praised that. You can't kind of do both directions. The reasons the military made these final decisions, and it's been admittedly very hard to get the data, but when you go through the data which is still coming out. We've gone over and looked at the reports. The first thing to remember, some of it is classified. And I urge the Commission to make sure you look at the classified in addition to what has been published, and it makes it harder when you're a public official to talk about it. But, in fact, there are reasons beyond just what has been released to the public.

Secondly, as far as the specifics, Springfield talked about the runways. We both have cross runways. We both have long runways. Ours are, in fact, longer. They talked about their airport. We have the second largest in Indiana. We have a bigger airport. I had Chairman Sherman Bud Schuester come in

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we've moved up our new air tower 20 years on the list. We have a $20 million air tower coming in, partly so we could see double runways, one is 12,000, as opposed to their eight. And the other is eight going up to 12. So we have an air tower with visibility at all times, 24/7. Customs offices there. We have freight going in or out all night long, which shows we don't have complaint problems around the Air Force Base, which is very critical in a commercial airport.

We've had lots of base improvement from the time I got elected in 1994. This is not easy, but every two years I've had it earmarked in addition to the regular funding that comes through to our base. That includes for multiple supply centers, including an ammo depot location, which Springfield said they would have to add, including additional coverage for the F-16s where they are parked. But basically $25.6 million in the last few years in earmarks, plus the $12 million for the air traffic control tower.

Another question that was raised was our proximity to ranges. In fact, in the recently released data, as in the last 48 hours, Fort Wayne scored higher than Springfield in range availability. We not only have where they can do the air-to-air testing, but also the live ammo at Jefferson Proving

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Ground. The development of Muscatatuck will give us yet another variation. But in Fort Wayne we not only can do the southern routes over the national forest, the open zone of southern Indiana and Ohio and Illinois. We can also go up into Michigan -- into northern Michigan. It's not Utah in the sense of open space, or Alaska in the sense of open space, but because of the national forests in southern Indiana, southern Indiana, southern Ohio, as well as up in Michigan, there is a lot of air space where you can in fact maneuver and do testing.

So what it really comes down to when you ask what was their strength, why did they get a higher military rating, number one was the air rating. Well, they are moving the airplanes to Fort Wayne. So the airplanes don't give you higher military value. They are a moveable asset. So when you score higher when you have newer planes, our planes are going to be retired. The newer planes, to the degree F-16s are newer, from Illinois and Terre Haute are going into come into Fort Wayne. So that's not a fixed military advantage, it's a temporary military advantage. The second is they have more appropriately covered space on the runways to take up to -- I think it's we can take 36, they can take 48. Something like that. But

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we all know, as I'll touch upon in a minute, we're not in danger of going up to 36 or 48 F-16s or new fighter planes.

And, furthermore, as I just proved in getting the seven million for resurfacing, because it takes a special surfacing to -- where you put the F-16s as opposed to other types of military planes or other planes, that's easily fixable, if in fact we ever do need to in effect go up to even more than the 24 to 26 that we're looking at in Fort Wayne.

So the military value question really isn't the question, nor is it the quality units. Springfield unit clearly has a highly qualified unit. Let me brag on mine for a minutes. Three times they've been picked as the Air Force outstanding unit. In 2003 they were picked as the number one unit in the entire United States. Nobody is going to top them in the quality of the unit.

So what does this come down to? The biggest reason has been recruitment. And that's been listed besides classified. And let me digress on two small points. One is this lawsuit question of Guard bases closing. Clearly the governor from everything from riots to flood cleanup -- I chair the Narcotics Committee in Congress and we use a Guard on the

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border. Clearly there are multiple functions. But planes are fungible. Planes belong to the federal government. That isn't a question of whether a governor can force property of the United States Air Force to stay in their state. They can keep a base there to train the people, but that's a different argument than what we're talking about here, which is moving planes.

The second part of this is the long-term goals. I've met with the Assistant Secretary for Installations of the Department of Defense, as well as the Air Force. And I understand that the argument of the Air National Guard that I, too, agree it's wrong to phase out the Air Guard in long term regarding the F-35s. And I know that's the initial position. It's always been the official position to kind of -- to make the Air Guard regular military. I don't think that's going to happen either, but it explains why they are concentrated at fewer and fewer mega bases. Because if you reduce the Air Force by two-thirds of the number of planes, you certainly aren't going to have the number of Air Guard bases we're going to have even if you have Air Guard bases. So the question is who can handle the F-35s, which probably both places could handle the F-35s, but I would argue we have more

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capability to do so. It becomes a question of where are you going to base homeland security operations. According to both Air Force and Department of Defense and probably at least four F-16s left over for homeland security. Maybe a few more.

Fort Wayne's position is such that we can get to Chicago where we can provide -- the air cover after 9-11 came out of the Fort Wayne Black Snake unit. Also, up to Detroit if they need supplemental, or down to Indianapolis. For that matter, it's not that far from Dayton or Cleveland or Toledo, or many other cities. So we can have a clear homeland defense mission.

So when you look at where is the Air Force going to go, they can put other planes there, if they want. They can put F-35s, because we have the longest commercial runways east of the Mississippi that go two directions. We can meet and have the flexibility to those.

Now, let me move to what was the fundamental question that was released to the public, and that's recruiting. So it wasn't a question of whether Springfield was kind of like an empty unit, as you heard. They were close to a hundred percent. Now the Black Snakes are over a hundred percent.

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But part of our problem in Indiana, in the last BRAC all of our active bases were closed. We have no active bases left in Indiana, so the Black Snakes are the public face. The most public face of the United States Armed Forces in the state of Indiana. When they need planes to do flyovers, they move over. It inspires young people to sign up beyond that. Our area, as all branches of the service say, is on fire for military recruiting. In the Army Guard we're the highest in the Midwest -- my congressional district is. In the Reserves, the new figures that came out last week show 16 percent over the targeted goal. When we're falling short in state after state, we're 16 percent over in my district, it spilled into the Army Guard, the Army Reserve, the Air Guard, into the regulatory military recruiting because it is an extremely patriotic area.

Part of that is, it's not just about the Guard and the military. It is the defense electronics center of the United States that often has the applied technology, because Magnavox was originally created in Fort Wayne. In fact, Utah likes to that claim Magnavox. Philco Corporation was invented in Fort Wayne. He founded it there. And we've early on been in this electronics area. We have Raytheon there, ITT

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Aerospace. We have Northrop Grumman. We have General Dynamics. We have USSI, that does the sonobuoys. We have BAE Systems, and many, many more. Many of which are black. If you are a CIA operator in Afghanistan your radio on the ground was made and designed in Fort Wayne, connected by software from another company in Fort Wayne, up to an airplane with software and electronics gear from Fort Wayne, radios back into a someone manning controls from a General Dynamics program back from Fort Wayne. It is the center flying all over. After 9-11 they were fitting Air Guard units all over the country with the electronics --

COMMISSIONER GEHMAN: I'd like to -- if I may interrupt for you a second and ask a question about that recruiting. Forgive me if my geography is not as good as it should be. Is it reasonable to assume that the two Air Guard Bases, Terre Haute, Fort Wayne, that they are close enough and community distances are such that you can recruit from both demographic areas because you are also moving some airplanes from Terre Haute also.

REPRESENTATIVE SOUDER: To some degree Terre Haute will move north to Indianapolis. We are about four hours. But we do in the very -- this is where the electronics industry and the general recruitment

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question comes from Fort Wayne. We have always been over because we have the steady flow of people coming up. Furthermore, the commercial pilots who fly Air Guard, Terre Haute isn't a commercial airport. Fort Wayne is. So we have, I think, six different airline companies that come in. We don't have any long haul, but we have lots in the Midwest. So we have availability of pilots and availability of technicians because of all these people pouring through.

In addition to that, we have a GM who makes most of the parts for the Hummer, they make most of the parts for the Abram tank over in Lima, Ohio. We are the number one manufacturing percentage district in the United States. So we have lots of people with capability of technicians.

Now, people from in our Guard and Reserve units tend to come from Indiana, Illinois, Michigan, Ohio. For example, the group that I just had over in Afghanistan was even from Wisconsin. So people will get assigned to ammunition units and different units from around, but the recruiting stations are likely to be scattered around the state. But because the pilots will go around and be around the state, it will help with the recruiting. And if I can finish with this point, we have in my district, after -- we have the --

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in addition, we have the 293rd and the Army Guard that was a year in Iraq. We just had the 221th Ammunition Reserve come from back from a year in Afghanistan. And we had the 384th MP unit in Guantanamo Bay, in addition to the Black Snakes who did Operation Northern Watch who have been in Columbia, Panama, and also were in Iraq in the last war with the mission in Fallujah. So what we saw with this spillover -- and in my district it's best emphasized by a number of the individuals who died. Lance Corporal David Fribley volunteered right after 9-11. He was killed early on in Iraq. And in my district, different than many others, we know even the soldiers at Guantanamo. We don't have a bunch of pickets. We don't compare them to a bunch of Nazis. Basically when they come home we've had a parade every time. We've had rallies every time. We've had communities every time and the patriotism runs deep, and the military saw that. When they were analyzing and saw the recruitment, they saw what happened at that air base spreading through our community and how it spreads through our whole district, and there is no way really to quantify that when we're struggling how to keep a voluntary military going.

COMMISSIONER GEHMAN: Thank you very, very

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much. Any questions?

COMMISSIONER HANSEN: Congressman, former colleague, let me ask you how close is the range to where these aircraft are based?

REPRESENTATIVE SOUDER: The closest range, and I can submit specifics for it, is at Hilltop MOA, which is, I think, 12 minutes. Twelve mile is 50 miles, which is very short. Mostly a matter of getting up in the air. Southern Indiana is a matter of minutes away. We have Jefferson Proving Ground where they can do live ammo. At the new Muscatatuck facility is one that already multiple Guard units are using around the country, which would be another buildings up to five stories. The only testing range in America that provides that. We also have in southern Ohio, southern Indiana, as well Alpena, Michigan and Camp Grayling, Michigan, other training places. The bottom line, it's closer than Springfield. Terre Haute is a little closer to some of those, but farther than Michigan.

COMMISSIONER HANSEN: Do you share that with everybody else, general aviation, commercial aviation?

REPRESENTATIVE SOUDER: I know there is MOAs where they do the air-to-air combat. There are actually in the southeast part of Illinois, southwest

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part of Indiana there are -- they coordinate the times when you can do the air-to-air combat testing and the live ammo testing. Where Jefferson Proving Ground, Camp Atterbury and Muscatatuck are, that area there are questions at the margins in some things with general aviation, but in general, that hasn't been a problem. Like you say, it's not Utah, but for the Midwest, because of those national forest areas and because of the routes between the major areas, we have some zones that are minimally impacted, as well as northern Michigan which has them as well, which we could get to from Fort Wayne, but not from the other.

COMMISSIONER HANSEN: I assume that you're talking about Block 30 F-16s; is that right?

REPRESENTATIVE SOUDER: Yes.

COMMISSIONER HANSEN: Because that's apparently what you would get from this, what you would gain from another station?

REPRESENTATIVE SOUDER: Yes.

COMMISSIONER HANSEN: Best of your knowledge; is that correct?

REPRESENTATIVE SOUDER: Yes.

COMMISSIONER HANSEN: Thank you, Mr. Chairman.

COMMISSIONER GEHMAN: Thank you very much.

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Appreciate it. Who's next?

MR. WILSON: My name is Rick Wilson. I'm the District Director for Indiana's Fifth District. I appreciate the opportunity to be here today to present Mr. Burton's statement supporting proposed realignment of assets to the Major General Emmett J. Bean Feeral Center in Lawrence, Indiana and Grissom Air Reserve Base located in Bunker Hill, Indiana. Mr. Burton is joined by his colleagues Representative Julia Carson of the Seventh District, and Chris Chocola of the Second District, and with your permission, I submit the delegations complete testimony for the record.

COMMISSIONER GEHMAN: Please. We would be happy to. And I'll remind you that this panel has ten minutes. It's hard for three people --

MR. WILSON: I'm going to be done in 35 seconds. I promise you I will be outside your galleyway before you know it.

Mr. Chairman, Mr. Burton does regret he's unable to be here personally to share his strong support for the Secretary's recommendations to this Commission regarding the Bean Center and Grissom Air Reserve Base which he believes supports the Department of Defense mission and integrates the joint cross service emphasis that is crucial to support on our

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warfighters executing the global war on terrorists, supporting efficiency and reducing an aging infrastructure.

I think it's fair to say that Mr. Burton and then Senator Coates worked very hard to secure the financing for the recent renovations for the Bean Center and Mr. Burton believes that it should be fully utilized. It is one of the most secure, safest and worker-friendly environments in the inventory.

Briefly, with regard to Grissom Air Reserve Base, the delegation is pleased the Secretary seems to agree that Grissom serves as a model for the potential for the joint basing, joint training, joint operations emphasis in transforming our miliary to face 21st Century threats. Grissom storied past continues to inspire that facility's future, and then the Grissom Business Aeroparts Industrial Center is also positioned to be another BRAC success story, much like Fort Harrison.

Representative Burton and his colleagues wanted me to convey to you, sir, and to your colleagues, their thanks and appreciation for your willingness to offer your time and talent to serve our country in this difficult assignment. They would like to offer whatever assistance their offices can provide

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in any information that you or your staff might need. You can contact the members directly or feel free to contact our office. I thank you again for the opportunity to present the delegation's statement and I'll answer any questions you might have?

COMMISSIONER GEHMAN: Thank you very much.

MR. BINGAMAN: Good afternoon, Mr. Chairman and members of the Commission. I'm Ehren Bingaman, Executive Director of the Fort Harrison Reuse Authority and LRA from the 1991 BRAC round closed in 1996.

On behalf of our board and the city of Lawrence, I, too, appreciate the opportunity to present supporting testimony to the proposed realignment of assets to the Major General Emmett Bean Federal Center. With your permission I would submit the complete statement for the record.

COMMISSIONER GEHMAN: Yes, indeed.

MR. BINGAMAN: As the representative of the Regional Economic Development Agency, I offer strong support for the realignment proposed in the Secretary's recommendation to this commission regarding the Bean Center, which supports the Department of Defense's mission and integrates the joint cross service emphasis that's crucial to

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supporting the war effort, departmental efficiency and reducing surplus infrastructure. The proposed addition of 3,495 jobs to the Bean Center came as quite a surprise to our community. While we are sensitive to the fears and concerns that many other installations and communities are feeling today, including in Indiana, we also know that we must do everything we can to facilitate the Department of Defense's goal. Ten years ago the city of Lawrence in central Indiana suffered from the same fears and absurdity that many communities experience today. With careful planning, cooperation and visionary leadership, the city of Lawrence is home to one of BRAC's genuine success stories. Fort Harrison is now a hub of economic activity and is revered locally as one of the most desirable places for businesses to locate, people to work and families to live.

Additionally, in 2004, Money magazine rated the Lawrence area as the second most desirable community to live in in the central region.

In 2003, the Fort Harrison Reuse Authority was recognized by the National Association of Installation Developers as the National Base Reuse Agency of the year. This recognition was the result of not only the turnaround that has occurred at Fort

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Harrison, but its long-term impacts on greater Lawrence and central Indiana. The prospect of 3500 new jobs coming to the community is great news, but it also brings challenges. Challenges that we already are working to locally meet. We know that over the course of the next five years these jobs are transferred to the Bean Center. We have an idea where many of these jobs come from and we are working locally to compile the questions that need to be answered. But from our initial assessment we are confident that Lawrence and central Indiana are prepared to absorb the impact of these new jobs. Thanks in part to BRAC, the city of Lawrence houses 1700-acre state park and 18-hole golf source that has been ranked as one of the best affordable new public golf courses by Golf Digest. We are attracting families with our preservation and historic amenities, architecture and cultural awareness.

In the next 12 months Fort Harrison will complete its master vision for the Lawrence City Center which will be a destination of retail, professional, Residential and family uses, and will further contribute to our community's growing, vibrant and family-friendly reputation.

The Lawrence Township School District is

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typically ranks among the highest in Indiana for its academic standards, performance, leadership, athletics and arts programs. The school district boasts eight national blue ribbons school and has been named one of the three most technologically advanced school districts in Indiana by the O'Connor Foundation. The district is among the state's most diverse, and BRAC '05 announcement comes at a time when the school district is conducting master planning for facility expansion. Lawrence will be prepared for these new jobs.

We also realize that not every employee will transfer to Lawrence and the Department of Finance and Accounting Services will be able to utilize the thousands of talented individuals produced by Indiana's many colleges and universities to fill its employment opportunities.

Additionally, the Fort Harrison Reuse Authority in exploring options partnered with the local community college to develop a program that will train and provide community members with the skills needed to work for DFAS. Lastly, central Indiana, and specifically Lawrence, have been among the nation's leader in new housing starts over the last ten years, with over 12,000 single-family and 34,000 multifamily

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new housing starts in the Indianapolis metropolitan area during 2004. The availability of high-quality housing and great neighbors is abundant.

Again, I say to you, our community is prepared to welcome the 3,495 jobs proposed on the Secretary's list.

In closing, I would like to thank you for this opportunity to inform the committee about assessing the future of Fort Harrison and Lawrence. We are ecstatic and prepared to welcome 3500 new people and their families to our community.

Should the committee have any additional questions, I will be available to provide further information. Thank you.

COMMISSIONER GEHMAN: Thank you, sir. Go ahead.

MR. HOPPER: Thank you, Mr. Chairman and members of the committee. My name is Matt Hopper. I'm the Deputy Mayor for the city of Lawrence, Indiana. First of all, I would like to convey on behalf of Mayor Deborah Cantwell that this is a great opportunity for the city of Lawrence. For the proposed new federal employees to enter into our city, she is dedicated to work towards making our city a home for them and to welcome back federal employees

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to -- five minutes -- to the city of Lawrence. I know it's been a long day and I know we are short on time, so I will be quick. But I would like to make a few points about our community.

First of all, DFAS-Indianapolis is located in the city of Lawrence, which is near Indianapolis, Indiana. This area is referred to as the crossroads of America, and offers convenient interstate and air access. In addition, the community boasts high quality life, excellent school system, ample housing and close cultural opportunities. These qualities have helped our area to attract top quality caliber workforce as was noted in the military value scoring plan. For approximately 42,000 people the city of Lawrence is home. This lively active community offers many of the amenities of a traditional small town, although we are located in a large metropolitan area. Our school system overseas a progressive two high school, three middle school and ten elementary school system, which is recognized as one of the top in central Indiana. We're also home of many private schools which also gives another opportunity for those that are looking for alternative types of education. We are also the proud home of Ivy Tech State College which continues to grow in our community and is

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recognized as fastly becoming the crown jewel of Indiana's community college system.

Since the closing of Fort Benjamin Harrison the city of Lawrence and the Fort Reuse Authority have been -- have been keenly aware of the need to balance the land and reuse the military base to provide for residential choices, interesting jobs, challenging education opportunities, an attractive a place to shop, and excellent choices for our community. This created a high quality of life for our citizens. 1700 acres of the military base were turned into Fort Harrison State Park, which is the only urban state park in Indiana. It offers a golf course, hiking, biking trails, horseback riding, picnic areas, and other amenities.

Additionally, the city of Lawrence maintains nine city parks and has an exclusive use of soccer, football and other types of activities for children. In fact, we pride ourselves in being the home of youth soccer and we have nearly 15,000 participates in the spring and fall activities.

The city of Lawrence is posed to welcome the new federal employees with open arms and embrace them into our community and our home. And really are positioning ourselves to be just that, a new home for

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these new employees. One of the commitments that the Mayor has made immediately after hearing about the 3,495 jobs was to immediately contact our local businesses and community leaders to develop a task force to court these individuals and to answer any of their questions that they may have to make us a unique place to live, to work, to raise a family, to work and play. And these were all things that the community wanted to do together.

So as we move forward towards through this process, we would just like to again -- just tell you that we are very excited about this time and we are happy to do anything or to provide any documentation that you'd like.

COMMISSIONER GEHMAN: Thank you very much. Appreciate it very much, gentlemen. Any questions? All right. The next panel, please.

Good afternoon, gentlemen. You may proceed.

MR. LITTLE: My name is Carl Little and I am Chief of Staff to Congressman John Hostettler, who has represented the 8th District of Indiana since January 1995. The Congressman is in Washington, D.C. today on official business and has asked me to testify on his behalf. He is, however, looking forward to testifying before your Commission in Washington, D.C. and,

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therefore, today I'll just briefly, and I mean briefly, cover a few highlights about BRAC in the 8th Congressional District. The 8th Congressional District is home to Naval Support Activity Crane, Newport Army Chemical Depot and Hulman Field Air National Guard Base. I'd like to begin my testimony by talking about the flagship of America's midwest Navy, Naval Support Activity Crane. Crane is a versatile, well-balanced, forward-looking military installation. The Congressman likes to say that Crane was joint long before joint was cool. Crane is a warfighter-oriented, performance driven and throughout its history it has never lost its vision for excellence or competitive edge.

Crane has a Hoozier can-do attitude at this 63,000-acre joint Army/Navy installation. So while the Congressman is very pleased that Crane will remain open and continue to play an essential role for our warfighters, he is concerned that some of the BRAC recommendations can severely hamper Crane's ability to harness technology for our nation's warfighters.

For example, recommendations one and two in the areas of weapons and armaments would effectively dismantle integrated technical and industrial support provided to Crane customers, particularly special

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operating forces who depend on extremely responsive, total technological solutions to ever-changing threats. If the recommendations were implemented, our special operators will have to get technical munitions support from China Lake, technical gun support from Picatinny, and industrial munitions and gun support from Crane.

I'd like to submit to you that our special operators would be better served by the current one-stop shopping capability of Crane and would like to point out that this one-stop shopping did not evolve at Crane over the years as a result of direction from above, but rather developed the special operators themselves concluded that Crane delivered literally the best bang for their buck in meeting the requirements of their increasingly vital role in our war against terrorism and beyond. Therefore, instead of adopting the recommendation submitted to you by DoD the Congressman respectfully requests for the Commission to consider designating Crane as DoD Center For Special Mission Support.

In regards to recommendation number three, which would move the ALQ 99 airborne electronic warfare system to the Naval air station at Whidbey Island to support joint electronic warfare for all our

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armed services, and moves one system's depot operation to a single service, in fact, a single platform EA6B aircraft within a single service. Crane, using state-of-the-art technology had already begun merging levels of maintenance throughout the fleet and shore sites by making engineering and high-level technician expertise virtually available to sailors in realtime. This initiative will let you have a much more comprehensive merging of maintenance levels in the long run than would occur by physically moving the ALQ 99 depot.

Moreover, recommendation number three moves a function from a high military value to a lower one at tremendous expense, violating the BRAC three steps ascribing for joint operation and moving functions to a higher military value in capacity installations.

Given Crane's extensive role in electronic warfare, the Congressman respectfully requests the Commission to consider designating Crane as DoD's electronic warfare center of excellence and consider moving additional electronic warfare systems to Crane from installations recommended for closure by DoD.

Regarding Hulman Field, Air National Guard Base, the Congressman was pleased that this installation will remain open; however, the

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Congressman is disappointed that the Air Force used the BRAC process as a means to shrink the force structure of the Air National Guard. It is unfortunate that we do not choose to replace our aging fighter planes on a one-to-one basis.

Finally, the closure of Newport Army Chemical Depot has to be one of few base closure recommendations in your docket that's garnered no opposition.

In closing, I would like to take this opportunity on behalf of Congressman Hostettler to thank the Commissioners and their staff for answering the call of our great country.

COMMISSIONER GEHMAN: Thank you, sir.

MR WASHINGTON: I'm Tom Washington, Chief of Staff for Congressman Mike Sodrel. We have the southeastern part of Indiana, about a quarter of Crane's workforce. In a prior life I was Chief of Staff for John Hostettler and have been affiliated with Crane activities for about ten years. And I have a longer testimony to be submitted for the record with your approval.

I thought, you know, because we're supposed to be highlighting congressional support, I thought it would be interesting to you to kind of run through a

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few things. I'm not going to read them all, but just over the last ten years some of the things that we have done.

FY98 -- we had a chem biowarfare detection center valued at 4.1 million added. An airborne electronic warfare center followed an FY99, 11.1 million. I could read on and on and on, but what I want to highlight is over the last ten years we have had 63.2 million in congressional adds for Crane Naval Surface Warfare Center. 63.2 million in MILCON adds. We've also had about 80 million in R&D adds. And as Congressman Hansen would tell you, it's not always easy to get these kinds of adds. But I will tell you this, that Crane -- I'd like to tell you this is exceedingly great staff work or something along those lines, but as you folks know a lot of this is tail wagging the dog kind of stuff. And in this case the tail is Crane, and not in an impermissible way, but by being an outstanding facility.

Crane -- you have to see this place to believe it. I grew up in southern Indiana. I had no idea it was there when I was growing up. Wasn't until I started working for Congressman Hostettler that it really hit me what we had there. Crane is the second largest naval facility in the United States of

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America. The second largest. 63,000 acres. This thing was going to be a state park before World War II came along and they had a need for a big area to store ammunition. It's beautiful. Looks like a state park.

Crane has solid community support, which others will touch upon here in the next panel. Crane has the lowest rates in the Navy. The lowest rates in the Navy. Has no environmental concerns. It's easy to secure. Totally fenced, gated access. 63,000 acres in rural southern Indiana. It's easy to recruit folks to work there. We have Purdue, IU, Rose-Hulman, Notre Dame. Lots of schools in the state cranking out engineers. What lot of them like to do, they like to come to work for Crane. Why? They grew up there. And you can live on a government salary in southern Indiana and feel like you're living fairly high on the hog. Now people might disagree with that, but the truth of the matter is you live in Washington, D.C. on a government salary and you appreciate southern Indiana for the cost of living you have there.

So the question occurs to me, why do we have functions leaving Crane? Why is the ALQ99 going to Whidbey Island when it doesn't appear to have any cost benefit. Why are we splitting the gun stuff up between Picatinny and China Lake? How can this happen

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when you have a facility like Crane that has such incredible facilities, costs? You know, the best cost in the Navy. How does it happen?

I can tell you over the last ten years, we've met with a lot of Admirals. We have met with a lot of other Navy officials, captains, etcetera. And the first part of that meeting is very often given about the rundown I'm giving you right now. People don't have any idea what is Crane or where it is. We don't sit on the coast. We don't have big sunsets coming up over the Atlantic or setting over the Pacific. You don't have people travel through Crane on their way home from anywhere. And if you want to see Crane, you've got to get there and see it. If you go and see it, you're going to realize this is one outstanding place. And it's the kind of place you want to put work, not take it away.

So as you folks take a look at the white papers that have been presented on this, and the other research we've done, I urge you to consider this. That one of the reasons why the Pentagon may have overlooked Crane is because it's off the beaten path. But because it's off the beaten path is one of the main reasons that it's such an outstanding place for today's world.

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So thank you very much. I've got to compliment you. I don't know whether they give you guys No Doze or what, but it is admirable that you can sit through this hour after hour after hour and give us your attention, which you have. Thank you very much.

COMMISSIONER GEHMAN: Thank you. And the paperwork, whatever white papers or point papers would be very useful. Particularly if you have in the -- documented the rates that we were talking about, the military value and the rates. That would be very helpful. Thank you very much.

MR. HAMILTON: Sir, if they are not, we'll be sure that they are.

COMMISSIONER GEHMAN: I'm sorry, Mr. Hansen has a question.

COMMISSIONER HANSEN: I noticed in your testimony in one thing you stated, you said, "Finally, the closure of the Newport Army Chemical Depot has to be one of the few base closure recommendations your DoD has garnered no opposition. We're all for closing it, basically.

MR. HAMILTON: Basically.

COMMISSIONER HANSEN: How can you close it when you've got obsolete chemical warfare there?

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MR. HAMILTON: Well, we have to demil munitions.

COMMISSIONER HANSEN: What?

MR. HAMILTON: The demil process for the --

COMMISSIONER HANSEN: Do you have a demilling facility there?

MR. HAMILTON: I --

COMMISSIONER HANSEN: There's only two in the United States, that I know of one in Tooele and one in Anniston, and there's one being built in Umatilla. Where did this one come from?

MR. HAMILTON: I know the DoD is working with the communities, and I may not be the best person to answer this question. In the expertise of Newport and their demil of VX gas, but I do know they are trying to get that process started and to remove that and clean up that base.

COMMISSIONER HANSEN: The agony is everyone wants that stuff out of there but none of them want to build a demilling thing. It's really a Catch-22.

MR. HAMILTON: I've just been informed they are demilling. They do have a facility on the base.

COMMISSIONER HANSEN: We surely can't close it until we get that stuff out of there, can we?

MR. HAMILTON: I believe that's true. But I

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understand --

COMMISSIONER HANSEN: You want us to close it with the -- all the obsolete rotten chemicals still there; is that correct?

MR. HAMILTON: No. No. That's not what I meant. I think the time frame foreclosure that DoD has is fine with us.

COMMISSIONER HANSEN: So basically clean it up, demil the stuff, make it -- have EPA go and clean it all up so you can eat off the ground almost, then you'll take it; is that right?

MR. HAMILTON: That's right. The communities have --

COMMISSIONER HANSEN: Thank you.

COMMISSIONER GEHMAN: Thank you, sir. Next. Good afternoon, you may begin when you're ready.

REPRESENTATIVE WELCH: General Turner, Admiral Gehman, Congressman Hansen and the BRAC staff, thank you for allowing us three legislators and one Mayor to appear before you today.

I am Peggy Welch. We know that you have reams of paper to read about Naval Support Activity Crane and Crane Army, but we would like to share with you a few of our own thoughts and insights. We are most appreciative of the Pentagon's decision to

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maintain Naval Support Activity Crane and Crane Army. We believe Crane is essential to the work and protection of our warfighter. And we know that Crane is essential to the economy of southern Indiana and the whole state. The problem is, as you've already heard that many people, even within the Department of Defense and the Army and Navy don't really know about Crane and its employees' contribution to the defense of our country.

I was raised in Mississippi, worked in Washington, D.C., then moved to southern Indiana in 1981. Over the years at social events or at church or in my work as a nurse when in polite conversation I would ask someone where he worked, they would answer Crane Naval Base, and my inner reaction would be why is there a naval base in the cornfields of Indiana. And I would wonder if there was some large body of water that I was not aware of. As hard as people tried to explain Crane to me, I just didn't get it.

After I was elected to serve in the Indiana House of Representatives in 1998, one of my first official duties was to go to Crane, and then I began to understand what an incredible place Crane is. Crane was strategically placed in the cornfields of Indiana in 1939. As Crane has strategically been

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important to the warfighter throughout the years, Crane continues to be strategically important to today's warfighter. We would like to spend the balance of Indiana's time with you in sharing with you about the economic impact of Crane, the State's support of Crane, and then you will hear from two folks who actually work at Crane and can tell the real story of the naval base.

Representative Dave Crooks, who represents the county in which the base sits, and Mayor Don Bowling will briefly describe the positive economic impact of Crane and what it will mean to lose approximately 700 jobs.

Representative Eric Koch and I don't represent Crane proper, but we represent thousands of people who work at Crane or are affected by the presence of Crane. Representative Koch will share with you what the Indiana General Assembly has done to demonstrate the State's commitment to helping maintain and protect Crane. I now give you Mayor Bowling.

MAYOR BOWLING: I would like to thank the commissioners for this opportunity to speak. I am Don Bowling, Mayor of Loogootee, the largest and only city in Martin County, Indiana. We have a city population of 2700 people and a county population of about 10,000

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people. I have never worked at NAS Crane and am really not in a position to quote a lot facts and figures such as you have already heard. I'm here to speak on behalf of my constituents and all the people of Martin County.

Commissioner Skinner has observed firsthand some of the operations at NAS Crane and has expressed the fact that he was impressed with what he has seen, heard and read. We appreciate that. Now, in consideration of the fact, as I understand it, that the avowed criteria of the BRAC is military need, potential savings to the military, economic impact on communities and supporting infrastructure and environmental considerations, I would like to quickly address each issue.

Military need: NAS Crane has performed above and beyond normal expectations so many times and has received recognition for awards for doing so much that there should be no doubt in anyone's mind that all the services can turn to Crane with any problem in Crane's area of expertise with 100 percent confidence that solutions will be forthcoming in a very minimum amount of time. The expertise and work ethic at NAS Crane are second to none. I believe the military need for this expertise is unquestioned.

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Potential savings to the military certainly follows right on the heels of the excellence demonstrated in number one with the fact that any work done at Crane will, without a doubt, be performed at a much lesser expense than would be experienced anywhere else in the country. Again, this fact is indisputable able and has been borne out by competitive comparison time and time again.

Potential savings is an area we are eager to talk about. Potential savings should open the door wide for NAS Crane, who we believe can do it better in a greater potential savings than any other facility. Moving work out of Crane to the coast, or anywhere else, is incomprehensible. Economic impact on communities, although it may be painful for some of us to admit, we do have all of our eggs in one basket. This situation is the way it is because this is southern Indiana. Traditionally and factually, it has always been difficult to draw industry to this area. We believe that is what drew the United States Government to this secluded area 66 years ago in 1939 to the poorest area in the state of Indiana, and Martin County was the poorest of the poor. The government came in and bought 100 square miles of Martin County and built an installation they needed in

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the war effort. Suddenly Loogootee was a boomtown and economic change came to the whole area. NAS Crane has been the cornerstone of the economy of the whole area for 66 years.

In 1939 there were few jobs and even less hope of a college education. This was in spite of the fact that Grummington and Indiana University were at that time about two hours away. There was no money for higher education.

After 1939, in the 40s, 50s and ensuing years, the economy improved. Many of the well-educated, upper level management of Crane today are second generation Crane workers whose parents were able to help them obtain an education. The jobs were waiting for them at Crane. According to estimate there were approximately 600 people from Loogootee and Martin County directly employed Crane, and the resulting indirect employment brings the total to nearly 1,000. This is from a county of only 10,000 people. Yes. We basically do have all our eggs in one basket. 67 percent of the wages earned by the people of Loogootee comes either directly or indirectly from NAS Crane. For the county, the figure is 37 percent. As you can understand, these percentages are not the result of huge numbers of

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people from Martin County working at NSA Crane. This is a result of the type of work they do and the level of wages they receive. These jobs are irreplaceable in southern Indiana. The only alternative these jobholders would have is to leave the area and relocate where their particular expertise is in demand. Even then relocating would be possible only if the jobs could be found somewhere else.

In the last two years, the word devastating has been heard so many times about Martin County that no doubt people are tired of hearing it. However, if many of the 700 to 1,000 jobs in question directly affect Martin County, devastation is exactly what we will experience.

Supporting infrastructure and environmental considerations: Steps are being taken as we speak to greatly strengthen the highway infrastructure. I-69 is now becoming a reality. It has the highest priority and commitment of the state of Indiana to move forward as rapidly as possible. With a 100-square-mile base covering 63,000 acres, nestled comfortably in the middle of southern Indiana, environmental problems are minimal to nonexistent. As you already know, the people of southern Indiana play by the rules and are intensely environmentally

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conscious.

In conclusion, we respectfully ask only that the Commission abide by the criteria set to guide the process. The employment base in our area is fragile and we cannot afford to lose any of these jobs due to miscalculation or failure to do it right. Thank you for listening to a small-town Mayor.

COMMISSIONER GEHMAN: My pleasure.

REPRESENTATIVE CROOKS: Name is Dave Crooks. I'm privileged to be the State representative that covers the Crane base. I had the privilege to fly here today. Flew over the edge of the base area. I wish you folks could see what the base looks like not only on the ground but by air. There's nothing like it in our whole defense bases, I'm sure, around the nation, and perhaps the world.

I'd like to touch on, of course, the 683 jobs that will be apparently realigned if the plan moves forward. We believe the direct job loss though will be closer to 1,000 jobs since we could see as many 300 support contract jobs leave the area. This result would be the loss of about 17 percent of all the wages paid in Martin County where Crane is located. This appears to be the second largest economic impact listed in the BRAC report, and if

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we look at the counties surrounding Crane, the losses are about 7.5 percent of the total wages of the county, Martin County, where the base is located. About 5.2 percent of the total wages of Greene County residents, 2.4 percent of total wages of Lawrence County residents, and for the city of Loogootee that my friend Mayor Bowling represents, this loss could be as much as 13.4 percent of the total wages of the community of Loogootee.

From our understanding of the BRAC 2005 objectives, reducing excess capacity and increasing military value with emphasis on joint operations and mitigation of encroachment and environmental issues, it seems to me that Crane is a model installation. Crane, of course, is located in an underpopulated area of southern Indiana. 63,000 acres is completely encroachment-free, and thanks to the action of the General Assembly, they will remain that way. There are no environmental issues. It's remote from potential terrorists threats, has abundant water and plenty of power utilities and additional infrastructure.

Crane with major joint Navy and Army mission tenants has tremendous state and community support. When the Secretary of Navy Gordon England visited our

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community about a year ago I think he was overwhelmed with the amount of community support he saw, a rally that we put together, which had probably three or four hundred people on short notice.

Also Crane has recently won Department of Defense awards for Installation of the Year and value engineering. Crane has the lowest labor rate in its peer group and is held up as a model of process engineering and cost cutting. Yet it seems to us that the BRAC recommendations do not take advantage of this model installation. But as we understand it, fragmented current joint operations and moved functions to much smaller installations in high population areas with potential encroachment and perhaps environment issues.

We hope you'll take a very close look at the recommendations made concerning Crane. We firmly believe that Crane is vital to the war on terror and its role should be strengthened.

Thank you for this opportunity to relate our concerns for the BRAC recommendations and our pride for Crane's vital role in our nation's defense.

COMMISSIONER GEHMAN: Thank you very much. Go ahead, sir.

REPRESENTATIVE KOCH: My name is Eric Koch.

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I serve in the Indiana House of Representatives where I represent four counties in south central Indiana.

Crane offers to Indiana and Indiana companies access to extraordinary resources. Crane, for example, is a leader in force protection with expertise in chemical, biological and explosive protection, ordnance disposal intruder detection systems, physical security systems and weapons. This capability will play a significant role in our state's Homeland Security program with now an agreement between and among the State of Indiana, Purdue's Homeland Defense Institute and Crane.

Crane has also a testing and analysis laboratory second to none that help Indiana firms with properties development, evaluation and problem solving. Crane plays a significant role in enhancing our state's technology-based businesses. In fact, three counties on the western border of Crane have initiated jointly managed technology parks to utilize Crane's technology transfer, program and other economic development outreach programs.

Area counties, the State, Indiana University, Purdue University, Rose-Hulman Institute of Technology, Notre Dame, Indiana State University and Ivy Tech all are partnering with this initiative

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to leverage Crane's economic development capability while at the same time increasing its military value.

The entire state of Indiana recognizes the value of Crane to national defense. The State legislature has unanimously passed several resolutions of recognition and support of Crane. In addition, recently enacted legislation to better position Crane as both a defense installation and as an economic engine. The Military Base Protection Act ensures Crane will remain encroachment free and integrates Crane's concerns into the State's decision-making process.

The Military Base Planning Council will address Crane's infrastructure needs, community support, encroachment threats and collaboration with Indiana's universities and companies. We also enacted legislation that will provide financial incentives with companies that move into the Crane region. And a joint agreement between Crane and the Indiana National Guard gives Crane access to the superb weapons ranges and training areas at Camp Atterbury and Muscatatuck Urban Warfare Training Center.

Thank you very much for this opportunity to relate our concerns for the BRAC recommendations and our pride for Crane's vital role in our nation's

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defense and our state's economy.

REPRESENTATIVE WELCH: If I may close. As you know, your fellow Commissioner, Mr. Skinner, made a visit to Crane. After the official presentation Commissioner Skinner held a community and press availability outside the gates of Crane. All four of us were there to show our support. I shared with Commissioner Skinner that I regretted he only had four hours to be at Crane. I know that I can speak for each of my colleagues here that we have visited and toured Crane many times and each time we have learned about another integral warfighter activity at Crane.

There is only so much that we can share with you in two hours, but it is my hope that some day you will be able to have the opportunity to join us at Crane to see some of the most beautiful countryside, as you've heard about, but also to be impressed with the vision and dedication and work of Crane and its employees, two of whom you will now hear from. Thank you.

COMMISSIONER GEHMAN: Thank you very much. We look forward to it.

MR. BROUGH: I'd like to thank you for allowing us to address these issues of importance to our nation. My name is Andy Brough. I'm the

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President of our local chapter of the Federal Managers Association. To my left, your right, is Mr. Bill Mason. He is President of our local union, the American Federation of Government Employees. And to my right is Mr. Dave Reece, Former Executive Director of Crane.

I will start with testimony, and I believe Mr. Mason will conclude. In the interest of time, I will hit -- skip through and hit some of the highlights. I believe you have the full written testimony.

As you are fully aware, the Department of Defense had several specific goals and objectives for the practice process. We feel that Crane is uniquely positioned to help the Department of Defense meet its objectives and requirements in the latest round of BRAC.

Crane embodies mission and physical capabilities that make it of unique high-military value, defense and industrial installation to support the 21st Centuries transform defense forces and the global war on terrorism. I will take an opportunity here to highlight a few of those capabilities.

Starting with our mission capabilities first, Crane's technical capabilities support all the

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Services. Major Navy and Army tenants at Crane perform synergistic technical and industrial support for all weapons, munitions and pyrotechnic products for all Services.

Crane also provides technical and industrial support for Navy, Marine Corps and Air Force electronic warfare systems. This level of joint support is rarely found at a single installation. In fact, task order receipts by Crane Navy at the end of the fiscal year '04 show almost 45 percent of its workload came from nonNavy customers.

Additionally, Crane is a leader in the transformation of the Navy. Transformation has been the highest priority of the Secretary of Defense and Crane has been a leader in transformation within the Navy and the Department of Defense. Crane has transformed its processes through business and process reengineering and continues utilizing lean principles to improve its efficiency and effectiveness.

Crane has also been a leader in several initiatives to transform the logistics and support the warfighter. Crane has been on the forefront of developing technologies such as distance support, which allows the warfighter realtime reachback abilities to gain critical support and to access the

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knowledge necessary to maintain complex systems.

Crane has also been a leader in developing new strategies that improve the availability for combat systems while also reducing costs. Crane is partnered with the Navy Supply Command in developing multiple initiatives in areas such as performance-based logistics.

In addition, Crane is a steward of critical processes and products for the Department of Defense. Crane helps preserve affordable Department of Defense access to products and processes that are critical to the national defense. Those include vacuum electronic devices, printed wiring boards, radiation hardened electronics, electrochemical power systems and pyrotechnics. The stewardship is required when there is limited commercial interest or support or domestic U.S. sources don't exit or are insufficient or there are unique military requirements not met by industry.

Crane strengthens the U.S. industrial base by facilitating information sharing an communication, providing tests and evaluation, logistics, manufacturing and repair support and supporting the underlying technologies. Crane also provides critical electronic warfare capability. Electronic warfare is a critical product area for our transforming military

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dealing with today's asymmetrical threats. This electronic warfare technology and commonality across all surfaces and platforms. Crane has exceptional military value in both the technical and industrial aspects of electronic warfare. Their current joint customer base and transformational electronic warfare support techniques have enabled Crane to establish the critical mass of a joint electronic warfare specialty site. It has the ability to grow with unlimited space and no encroachment that would curtail high power microwave emissions.

Realignment of additional electronic warfare support to Crane from closing activities or other electronic warfare realignment should be considered.

Crane also has extraordinarily diverse capabilities. Crane's expertise extends to weapons, munitions, pyrotechnics, electronics and electronic warfare technology and products. Its functional capability includes development, tests, prototype, acquisition or production, in-service support, maintenance, overhaul and upgrade.

Its facilities include electronic, microwave and ordnance tests and analytical laboratories, test ranges, modeling and simulation laboratories and production maintenance and depot overhaul lines.

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Crane products are part of every Navy airplane, ship, submarine and seal team. They are also with many Air Force planes, Army and Marine Corps vehicles and special operating force command units. Crane has a major munition storage and Army power protection platform loadout facility.

In addition, Crane is especially relevant to the global war on terror. Having a total technical industrial supply and logistics capability, Crane is extremely agile and responsive to rapidly changing warfighter requirements. Crane's expertise in weapons, ordnance, electronics and electronic warfare is particularly suited to meet special emissions needs which includes special operations command, special warfare command and the Marine Corps.

Crane receipts have increased 66 percent since 9-11, far exceeding other technical installations. Crane delivered $750 million worth of products directly to the warfighter in 2004. And hundreds of millions of pounds of munitions since 9-11.

Crane also provides high military value in the special missions arena. Military value is demonstrated by the Department of Defense's unique capability of Crane to meet the requirements of

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special missions support to the warfighters, battling asymmetric threats in the global war on terrorism.

Crane has a multifunctional, multidisciplinary capability that allows the rapid integration of special weapons, ordnance, and explosive, power sources, pyrotechnics, demolition devices, visual augmentation devices, and targeting systems to meet the special emission requirements. The ability to draw on these capabilities and to develop tests and train at one secure isolated site has enabled a hand-on systems approach to solve the warfighters requirements quickly and efficiently.

Crane is also a host to multiple joint operations. Crane has hosted joint operations since 1977 when the Crane Army Ammunition Activity Command was established. Crane is joint not just in the fact that government and military personnel from two services are stationed there, Crane is also joint in workload and facilities. Crane Army ammunition activities and naval surface worker center Crane have worked jointly on numerous tasks related to ordnance and -- and pyrotechnics. In fact, this partnership has allowed for development tests, support and production of pyrotechnic flares at times when the commercial industry was unable to support the

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warfighters requirements.

In addition, Crane's Army and Navy commission commands have shared buildings, test ranges and equipment across a wide range of work.

Another synergistic capability that Crane supports is the special operations community through Crane's unique blend of electronic sensors and ordnance expertise along with the breadth of knowledge. From development through acquisition, production and support, Crane has been able to rapidly develop solutions using the latest technology to support emerging requirements from global war on terrorism.

In fact, since the global war on terrorism started, Crane task orders from special mission customers has increased substantially to account for almost 25 percent of our total task orders received.

Finally, Crane is a best buy. Through continued aggressive business and process reengineering, and enhanced by its location in a low-cost part of the country, Crane Navy and Army have extremely low labor rates, as you already heard. Crane won the Department of Defense's Installation of the Year Award in 2002 and the Value Engineering Award in 2004.

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Some of our physical capabilities: Crane has no encroachment. Crane's emission, including ordnance operations and disposal, as well as high power microwave emissions is not impacted at all by the surrounding community, nor is the community disturbed at all by the operations at Crane.

In addition, Crane's ordnance disposal, through open air detonation and burning are fully permitted by the State. No explosive or safety arc extends out of Crane's fense line.

Crane also has an ideal location for defense installation. Crane is located in a sparsely populated area of southern Indiana, far from potential terrorist targets. However, Crane is also close to excellent interstate rail and major airport transportation. Crane's size will also allow major expansion and mission. Crane is the host command of the third largest Navy base in the United States and consists of approximately 100 square miles or 63,000 acres of unencumbered land, with 163 miles of railway and 411 miles of roads.

Crane also has superb facilities. Crane has some 3,000 buildings, including 1600 explosive magazines constituting about 20 percent of the nation's capacity. Millions of square feet are

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available for operations and storage. The plant replacement value of Crane facilities exceeds $3.3 billion. An aggressive military construction program, including joint Army Navy MILCONS, has continuously increased facility capabilities.

Finally, Crane has extremely strong community support, as you have witnessed here today. Crane has an enormous impact on its community. It constitutes 37 percent of all the wages in its host county. Crane employees are major contributors of time and resources in the small town surrounding the installation. The entire state is proud to host such a superb Department of Defense installation as demonstrated by the unanimous joint resolutions of support by the state legislature and the 2005 Military Base Protection Act ensuring encroachment-free operations continue in the future.

In summary, the Department of Defense's stated goals and objectives for the BRAC 2005 process include an increasing military value, reducing excess capacity, and developing joint multidiscipline centers of excellence. Crane's facilities and joint capabilities align well with these goals. Naval Support Activity Crane is the host to Naval Surface Worker Center Crane and Crane Army activity,

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collocated mission commands that perform multifunctional and multidisciplinary tasking across ordnance, electronics and electronic warfare. These two commands have jointly built a cross-service capability that leverages shared world class facilities and human capital that focus on development, acquisition, sustainment, maintenance and distribution of ordnance and electronic products.

This integration has proven to help reduce costs and support rapid deployment of ever-changing needs to the warfighter today, tomorrow and for the future.

During the BRAC 2005 process, naval surface worker center Crane has not received any gain recommendations. It always appears that there was not any analysis or data to determine if these environmentally compliant facilities with no encroachment, vast resources and multidisciplinary capability to help further meet Department of Defense objectives. If current recommendations are approved, the existing joint capabilities will at best be fragmented across the country and will impact the joint synergy already in place. Many of our customers such as the special operations community rely on these synergies to provide them with the technologies and

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support they need for the global war on terrorism.

The current BRAC recommendations indicate that other functions will be moved across the country. The installations that continue to promote single service, single platform capabilities within lower military value encroached and environmentally challenged facilities.

We encourage the Commission to carefully review Crane's ability to provide higher military value and better integrated services to our warfighter and enhance Department of Defenses ability to meet their BRAC objectives. Thank you for your time and attention.

COMMISSIONER TURNER: Thank you for your testimony today. Mr. Mason, you're next.

(Please refer to Mr. Mason's written testimony as submitted to the Commission. Portions of the testimony were inaudible and attempts by the reporter to go off the record were unsuccessful.)

MR. MASON: Good afternoon. Again, my name is Bill Mason. I am President of AFG Local 1417. We represent approximately two-thirds of the employees of the activity for the naval support activity Crane NFA.

Thank you for the opportunity to speak today. In the interest of time I'll summarize my

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submitted written remarks. Other than general remarks on the cause which applies to the whole workforce of NSW Crane, my remarks will focus on the naval surface warfare center, the NSWC.

I hope to provide information that was probably not considered in the BRAC process in formulating the recommendations. In 1990 NSWC and Local 1415 embarked on a labor/management relationship based on mutual respect and interacting with an interest-based approach to the relationship. (Inaudible) grievances and litigation and allowed the focus to be towards things that benefit both the employees and NSWC Crane. This relationship not only allowed NSWC Crane and Local 1415 to win OPM John N. Sturdivant National Partnership Award in 2000, but also allowed us to develop and implement such events as our business and process reengineering efforts.

This was a global look at the Crane organization to understand what we do, how we do it and how we can make it all better. We wanted it to be the most relevant cost effective and official organization with the NDOD that provides services of product to our fighting forces. This has resulted in $29 million of annual recurring savings and set the stage for a more successful organization in the

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future. That resulted in an additional 8.8 million in savings to date, which projection was 17.8. These efforts have allowed us to maintain our labor rate well below the rate of inflation and be the best (inaudible) received the Commander in Chief's Excellence Award for the BNBR effort and the DoD Value Engineering Award for the (inaudible).

The culture of southern Indiana is one of hard work, dedication, and patriotism. By far, the vast majority of our employees are from this area and many are second and even third generation employees.

Following are a few facts about our employees. Twenty-six percent of NSWC employees are veterans with over 50 percent of all employees at NSA Crane being veterans. Average age is 45.5. Average years of services 18.8 years. NSWC employees are highly trained and skilled in the areas of electronics, ordnance, logistics and acquisition and experts in the programs in which they work. NSWC employees continually strive to improve their skills and knowledge. Currently 200 are enrolled in Indiana universities and seeking higher education and knowledge. Many more are attending the approximately 300 per annum technically targeted classes offered by NSWC. Many have started at Crane through our co-op

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and apprenticeship programs. For several years, 12 percent of the workforce could retire at any given time. However, we only had a 6 percent total attrition rate. Our employees come to Crane for the long haul and believe in what they do. NSWC employees' number one job is supporting the warfighter as evidenced by the following: In FY '04 we had 19 long testimony overseas support TDYs, over 1,000 short-term overseas TDYs. Since FY '02 we have responded to over 9500 reps with less that are four hours response and resolution time for those. As well since FY '02 our employees have given assistance in the resolution to the fleet in over 15,000 other requests for assistance. Without regard to the type of job or home agency, NSWC employees assisted the Crane Army ammunition activity personnel during the startup of operations Iraqi Freedom and Enduring Freedom by performing any task required to assist in getting the warfighters the ammunition they needed.

However, since our employees, our homes and families are from the community surrounding Crane, they are very unlikely to leave the area to follow the recommendation.

In closing, I just want to repeat that the employees of NSWC Crane are highly skilled,

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knowledgeable and educated. They are very dedicated to the continual improvement in both themselves and the organization. They are dedicated and go the extra mile in supporting our fighting forces. But they are home grown and are very unlikely to migrate with the work of these recommendations. They have attributes that benefit our nation that can be made (inaudible). I just thought you might want to take these facts into consideration and I thank you for your time.

COMMISSIONER GEHMAN: Thank you very much. Lieutenant Governor Skillman would like to conclude for us.

LT. GOVERNOR SKILLMAN: Thank you, thanks for your interest and as we conclude we just want to restate our strong support for the BRAC process and we acknowledge what an enormously complex task that you have. We know that Indiana fared very well in this process and we are not here to carp and complain. Our written presentations are designed to in fact reinforce the sound decisions to consolidate DFAS capabilities in our facility, so we wanted to demonstrate our willingness and our ability to accommodate all those employees who choose to relocate here. We would want you to know that our state and our local governments are pledged to extend the

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resources necessary to make this happen, and we look forward to working with the office of economic assistance at DoD toward that end.

We're also grateful that Crane's value to our nation has been recognized, but we honestly feel that many of those attributes that make Crane unique did not surface during the DoD analysis. So we've attempted, as you have seen, to focus on these attributes. Our suggested changes are surgical, they are precise and they are focused. They are grounded in the mission success and maximum assistance to the warfighter. They are deliberately crafted to have the minimum possible impact on other areas of the DoD analysis. So we want to thank you for your service. We want to assure you of the continued dedication of the men and women of Indiana to the defense and to the preservation of our freedom. Thanks so much.

COMMISSIONER GEHMAN: Thank you very much for your very excellent presentations. It's been very helpful. As I have mentioned to the other delegations, we have a relatively small analytical staff and we have precious little time to do our work, and we view you and your staff as adjuncts to our staff. Thus far we've only had one side of the story presented to us. That's the Department of Defense's

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side. We look very forward very much to getting the other side of the story. This is a part of that process. We invite you to continue to work with us as we try and answer some of these questions. I know that your staff has already been in contact with ours at Crystal City and as we try and seek truth here, we will look forward to a continued dialogue with your staff to sort this out. We thank you very much for your presentation.

LT. GOVERNOR SKILLMAN: We look forward to being your partner.

COMMISSIONER GEHMAN: Good afternoon. We're pleased to have you join us. As required by the BRAC statute, it is necessary to swear you in. We can only consider certified data and sworn testimony, so I'll ask you to please stand and raise your right hand and our official here will swear you in.

(Panel sworn)

COMMISSIONER GEHMAN: Thank you very much, gentlemen. We are -- I have to be mindful of the time because there is another state delegation following you, but we do have a little bit of flexibility. So the floor is yours, and to whom may I start? Senator Levin, I assume .

SENATOR LEVIN: Mr. Chairman, thank you, and

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BRAC Commissioners, thank you all for your willingness to serve in a very, very difficult job. And thank you for giving us the opportunity to speak with you today. Jennifer Grantholm and Senator Stabenow cannot be with us today but they ask me to extend their appreciation and to offer their support for my remarks. And also I will be submitting Senator Stabenow's statement for the record.

COMMISSIONER GEHMAN: Absolutely.

SENATOR LEVIN: My focus today is on the Pentagon's recommendations for the Detroit arsenal. I will also touch upon the Selfridge Air National Guard Base and then after I take about half of our time, you will hear from Congressman Joe Schwartz and other representatives from Battle Creek. And he will introduce them, or I think Senator Schauer will be introducing the representatives from Battle Creek. And that conversation will be regarding the Kellogg Air National Guard Base in Battle Creek.

I believe there is overwhelming logic to the Pentagon's recommendations to consolidate certain additional functions at the Detroit arsenal. This is the Department of Defense's center of excellence for ground vehicle development and acquisition. So I'm here to support those recommendations of the

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Department of Defense relative to that Detroit arsenal. And one line from the Department of Defense's Base Closure Report really says it all. Which are that the synergies from having a critical mass located in southeast Michigan and being able to leverage the world's capital for automotive ground vehicle research and development and acquisition, will ensure the Department of Defense is prepared to meet its future demands.

So the department has recognized that the world's capital is right where the Detroit arsenals in southeast Michigan for automotive and ground vehicle research development and acquisition.

Let me just share with you briefly some thoughts about why those recommendations make so much sense. The Detroit arsenal, first of all, includes the headquarters for the Tank and Automotive and Armaments Command known as TACOM, the Tank Automotive Research and Development Center, known as TARDEC, and the National Automotive Center known as the NAC. And they combine the Army's ground vehicle acquisition development and maintenance functions in one central location. Because of their strategic location in the word's automotive hub, TACOM, TARDEC and the NAC are able to take advantage of the investments in the area

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that have been made by General Motors, Ford, Chrysler, Toyota, Nissan and Hyundai, and many other companies as well as academia in advanced vehicle research. And because the individuals who work at the Detroit arsenal have deep relationships, professional relationships with their commercial counterparts, they are able to secure the most advanced and effective technologies for the Army. In short, the Detroit arsenal allows the Army to develop the highest performance vehicles at the lowest cost.

Let me just give you a few examples. TACOM, TARDEC and the Society For Automotive Engineers recently developed a common on-vehicle computer that allows the Army to more easily incorporate advanced commercial automotive technologies from the commercial automotive industry into the Army's ground vehicle fleet. Today those computers are being installed in the entire family of medium tactical vehicles, enabling the Army to modernize its current fleet of naval vehicles.

One example of the improvement that on-vehicle computer has enabled is the installation of a common commercial device called antilock brakes, and to do that to integrate that safety device on the Army's existing ground vehicle fleet. Many of those

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vehicles were manufactured long before computers were even placed on the vehicles. Today they're commonplace on both commercial and military vehicles. The Detroit arsenal took the Army striker combat vehicle from concept to production in record time. It developed new slat armor -- and this is with the commercial world for the striker, in a matter of weeks, to meet the operations of Iraqi Freedom.

It deployed new crew protection armor kits for the M-939 vehicle, and months after the concept originated. It responds to calls from the field both in Iraq and Afghanistan on a daily basis. And the harsh operational conditions in both locations have demanded that arsenal engineers find ways to push the Army's ground vehicle fleet to the next level.

Southeast Michigan is helping to develop the Army of the future. The engineers at TARDEC and the National Automotive Center are improving the Army's ground vehicle fleet by leveraging the research already completed in the auto industry, and that research is critical to reducing fuel consumption in the Army's ground vehicles. Together the commercial and military are exploring ways to create a mobile electrical grid. They are developing the use of artificial intelligence together and nanotechnology

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for the next generation of vehicles. They are moving forward with the advanced development of deployment of a generation of vehicles powered by hybrid and by fuel cells.

Now, with the BRAC recommendations, the development of defense has recognized that greater efficiency and innovation will be possible through a greater concentration or clustering of related functions at the Detroit arsenal. That center of excellence at the Detroit Arsenal will take on additional tasks that are closely related to the arsenal's core mission which is ground vehicle development and acquisition. The Department of Defense's recommendations before you, which we support relative to the Detroit arsenal, proposes to cluster related functions.

And specifically I'm going to talk about three of those functions to support them because you, I think, will be hearing some opposition to the moving of these functions to the Detroit arsenal from other states, and so I want to spend a few minutes that I have to say why it makes so much common sense that these functions be clustered where the Department of Defense proposes to cluster them at the Detroit arsenal.

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First, they recommend relocating the Marine Corps Program Manager Advanced Amphibious assault facility from Woodbridge, Virginia to the Detroit arsenal. Many of the issues facing amphibious assault vehicles are similar to those facing ground vehicles. They needed improved maintenance and reliability. They need more efficient propulsion systems. They need better ballistic protection and blast protection. The Marines will directly benefit from the similar research and development being conducted by the Army and the commercial automotive sector.

Likewise, transferring the ground vehicle armament acquisition positions from the Rock Island Arsenal in Illinois to the Detroit arsenal will increase efficiency. These positions that we'll be moving or proposed to be moved are mostly logistics acquisition and technology experts who are responsible for armament parts and equipment that the Army has retained active design control over. From weapon systems to on-vehicle weapon control systems, these specialists work closely with the engineers at TARDEC right now. They have to regularly meet with, talk to, work with those engineers that are at the Detroit arsenal, to insure that those systems continue to operate successfully. At the same time, TARDEC

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engineers find ways to improve the Army's ground vehicle fleet. They need to work together. Again, this move is driven by the Defense Department's sensible efforts to consolidate related development and acquisition functions in one place.

Now, the expert on this subject is not me, It's General Laniers, who is the commander of TACOM. And this is what he said recently. The positions at Rock Island are TACOM positions. It's a piece of TACOM at Rock Island. And this is what General Lanier says. He's the overall commander of TACOM, whether it's Rock Island, whether it's the Detroit arsenal or the other parts. "General Lanier: It's all about speed and agility now, rapidly changing your systems to meet the current needs in the field. There's a lot more communications with the acquisition guys and the logistic guys and the engineers can all sit face to face and discuss things and get back out and work on it. I think there will be a lot of improvements," he said. He has the firsthand day-to-day on-hand -- hands-on experience. His judgment, I believe, should have great weight with this Commission.

Finally, the Pentagon has recommended moving the unmanned ground vehicle system's joint project office from the Army Aviation and Missile Command in

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Huntsville, Alabama to Michigan. There are compelling reasons to do so. There are advanced technology efforts already going on in Michigan. Both commercial and university are working with TARDEC to interview -- integrate the new technology such as artificial intelligence, sensors, based on nanotechnology, advanced computer vision systems, into robotic vehicles. All of the department's science and technology developmental -- development objectives in ground vehicles and robotic technologies, all of those development objectives are already led by TARDEC and most of the agencies that the joint project office at Huntsville reports to and collaborates with are located in southeastern Michigan. Moving that ground vehicle robotics mission to the Detroit arsenal just makes common sense.

Now, Mr. Chairman and members of the Commission, the Detroit arsenal is losing some functions under the proposal of the Department of Defense. It's not just gaining the functions I've outlined. It's also losing some functions. They recommend that the sea vehicle development and acquisition be consolidated into one center of excellence for satisfy vehicles in the Washington, D.C. area. Those gains in the Washington areas are

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slated to come from the Army's sea vehicle development acquisition program in Detroit and go to Virginia. We are not protesting the move. We don't object to it. It's so inherently logical under the very same logic which I just outlined. The Detroit arsenal is slated to lose about 100 positions to the Defense Logistics Agency in Columbus. While we're obviously concerned about any job loss in Michigan, shifting those jobs is consistent with the department's attempt to leverage the advantages of collocation. That's what this is all about. So the same logic which we believe compels the move of the Marine Corps program manager, the ground vehicle armament acquisition positions, and the unmanned ground vehicle project office to the Detroit arsenal, moves us to accept the move from the Detroit arsenal of sea vehicle development and accusation and of certain acquisition experts for commercially available items that can be bought through the DLA.

Now, as to the Army Garrison at Selfridge, the Department of Defense has recommended closing that facility. I wanted to submit for the record several letters that I've received from the community expressing deep concerns about that proposed closure.

The garrison's proposed closure could mean many of the support services that the military

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personnel in the greater Detroit area have relied on since World War II. They would be closed. The letters which I'm going to submit for the record make different arguments. But where they agree is on one critical point. Should the Army garrison at Selfridge be closed, it is essential that the Army land and support functions be transferred to the Air Force. For two reasons. One is the land is essential to the Air Force. And, two, the -- some of the critical services will continue to need to be performed, including the commissary, the base exchange and the pharmacy.

So that is what I would urge the Commission look at as a common position of the community at Selfridge. While they don't see precisely eye to eye on every aspect of this, and the letters will speak relative to that, when it comes to if you close that garrison, what should be done with the land and the essential -- the necessity that the Air Force take over the services, particularly relative to the commissary base exchange and the pharmacy, are something which there is agreement and consensus upon.

Again, thank you very much for your service as well as for the opportunity to be with you today. And with that, I'll turn the matter over to

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representatives from Battle Creek. We've difficult sided to divide our time in this way.

Congressman Joe Schwartz is here with the other representatives of Battle Creek and I would turn the microphone over to them at this point.

COMMISSIONER GEHMAN: Thank you very much, sir. Go ahead, sir.

CONGRESSMAN SCHWARTZ: First speaking for the City of Battle Creek and the 110th will be state Senator Mark Schauer who in fact is from Battle Creek. I've turned the mike over to Senator Schauer and others and I'll bat ninth in this group, which is about where I ought to bat.

SENATOR LEVIN: They call it cleanup in the Senate.

CONGRESSMAN SCHWARTZ: In the days when they didn't have a designated hitter.

SENATOR SCHAUER: Thank you, Congressman. Thank you, Senator Levin. It's an honor to share this panel with you to talk about Michigan's role in our national security.

Commissioners, thank you for the opportunity to testify. I am Mark Schauer, Michigan State Senator from Battle Creek, proud home of the 110th Fighter Wing and of the Battle Creek Air National Guard Base

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at Kellogg Field. I do want to acknowledge a group of weary yet very supportive and enthusiastic people from the Battle Creek and Kalamazoo community that boarded a bus at about 5:30 this morning adorned in their T-shirts, and we're very proud to have their support and to demonstrate that for you. Do you want to stand up or wave or something? They have the blue T-shirts on. Thanks for being with us. I think they hop on the bus as soon as we're done. So maybe they get to stay, I don't know.

COMMISSIONER GEHMAN: We're pleased to have you. If you weren't in the room, there wouldn't be anybody in the room here except us.

SENATOR SCHAUER: We're glad they're here, too. Commissioners, our goal today is to raise in your minds serious questions as to the wisdom of moving the 110th Fighter Wing, closure of the Air National Guard Base in Battle Creek and ending the air Guard's 60-year association with west Michigan. In doing so we hope the Commission will grant our request to conduct a site visit ultimately leading to a decision to retain the 110th in Battle Creek and to remove the Air National Guard base from the closure list.

The four speakers to follow will clearly and

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succinctly demonstrate that the methodology and analysis used to calculate the cost savings of moving the 110th and to calculate military value for A-10s in Battle Creek were seriously flawed. They will further demonstrate the serious consequences of this recommendation to our militaries air deployability and combat capability.

First, George Erickcek of the Upjohn Institute for Employment Research will present his analysis of the flaws in the DoD's widget and COBRA methodology. George.

MR. ERICKCEK: Thank you. I am the Senior Regional Analyst with the WE Upjohn Institute For Employment Research. With the sole exception of travel expenses, neither I nor the institute will have or will receive any compensation for the analysis I'm summarizing today. In fact, we've been here before because I headed the team from the Upjohn Institute 12 years ago to analyze the COBRA results being used to propose a closing of the then named Battle Creek Federal Center.

Fortunately, through our analysis and other work, that center was saved. It is my professional opinion that the methodologies used in determining the military value of the WK Kellogg Air Base and in

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estimating the cost savings of closing the base are indeed seriously flawed.

I will first address the serious methodology problems that occur in calculating the missions, capabilities, indexes, the MCIs, which were used to determine the facility's military value. Then I will turn to the COBRA model, which is used to estimate cost savings. The question in the widget gathering data effort to determine the MCIs, did not yield the appropriate information necessary to develop a proper military value score for this facility. I only have time to highlight three major problems. One, the MCI for special operation forces is partially based on factors that do not even apply to A-10 aircraft. It asks about landing zones for helicopters and drop zones for parachutes. These do not apply to A-10 operations.

Two, regarding weather conditions, the questions were mostly irrelevant. They asked questions about elevation, but there was no question regarding dew points, daily temperature, or the length of a runway. Another question asked how many days allowed for visibility of 3,000 feet for three miles. This is not a relevant question to the A-10, which can fly in conditions of 300 feet for one mile.

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And, finally, the third point I'd like to make, the questions did not properly address the capacity of the facility to handle the surge operations.

Indeed, the questions were heavily biased toward larger bases by not allowing for readily available shared ramp space to be counted. For smaller bases like the WK Kellogg that has successfully executed surge activities, including a double deployment to Iraq. This is an unneeded restriction and it's not cost effective. Indeed, looking at surge potential, questions of encroachment must be asked that were not. In proximity to the civilian Air Force, complexes that can interfere with mission operations was not addressed. Nor noise mitigation procedures.

Now I'd like to turn to the COBRA model analysis. The COBRA model analysis stated that the Air Force would save $167 million over a 20-year period. I believe that these savings are overstated and do not take into account the following four factors that will likely more than offset the expected cost savings.

One, the COBRA model overinflates the expected cost savings of closing the Kellogg facility.

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It estimates that Air Force will save $5.7 million annually by eliminating the base's overhead cost. Now, currently the Kellogg field incurs an annual maintenance and operating cost of $707,000. Therefore, we feel that there could be as much as a $5 million difference in the COBRA estimates than the actual incurred costs of operating the facility.

Two, the Air Force ignores the military construction costs that will be incurred in redeploying the 110th Fighter Wing at Selfridge. An A-10 unit has special facility requirements for maintenance and munitions that simply are not available at Selfridge at this time and will have to be constructed.

Three, to reconstitute and retrain the A-10 at Selfridge will require the Air Force to spend millions of dollars in order to regain the combat capabilities and qualification levels that currently exist at Battle Creek. These were not taken into consideration in the COBRA model. And this is a process that could take up to five years. It is likely that up to 18 F-16 fighters -- fighter pilots will have to be retrained to fly the A-10s, costing the Air Force approximately $1 million each. And that is just the initial training. These costs will more

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than triple as these pilots log in the required flying time to get the unit back up to today's mission readiness.

And, finally, the fourth point, returning to cost of encroachment, the U.S. Army states that they will save $260 million over 20 years by closing the Army garrison at Selfridge. But to avoid encroachment that will -- that would endanger operations, the Air Force will have to assume responsibility for the property at Selfridge garrison and thus assume a large portion of these costs. Plus there will be added cost of demolition and maintenance due to the base's joint infrastructure.

In short, and in closing, the procedures used did not provide a proper evaluation of the military value of the WK Kellogg Air Base, nor did they accurately measure the cost of closing the base.

Thank you for your time. Now I would like to introduce Major General Retired E. Gordon Stump who will speak to the military value of the Battle Creek facility and the 110th Fighter Wing.

GENERAL STUMP: Thank you. It's my pleasure to share a few moments with you this afternoon to talk about the consequences of transferring Battle Creek's A-10 aircraft assets to Selfridge. I will also

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present military value of the 110th Fighter Wing and facts about the uniqueness of this outstanding Air National Guard base located in Battle Creek, Michigan. One of the things I've learned in my 37 years of military experience is that not much good comes from things that happen with smoke and mirrors. Let me assure you right up front our information and data collection supporting the reversal of the recommendation to close Battle Creek Air National Guard Base is completely void of any smoke and mirrors.

A simple fact is the Air Force used the BRAC process as a mechanism to jump start their future total force programming initiatives within the ranks of the reserve forces. Using the BRAC process the Air Force, with DoD consent, intends to eliminate approximately 30 percent of the current Air National Guard flying units. Should the current BRAC recommendations be put into place, this nation will retire perfectly good operational fighter aircraft such as the F-16 Block 30 stationed at Selfridge, well before replacement Air Force delayed another two years come into the force structure. They will also retire C-130 units before the C-130J aircraft come online, creating a shortage in lift -- in air lift. And

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further we stand to lose thousands of traditional individual military positions, full time civil service air technicians and the AGR active Guard and research personnel. Within the boundaries of the state of Michigan, we will alone lose 1,674 positions -- military positions as a result of the deactivation of Air National Guard and Air Force Reserve units. And I don't see these numbers in any of the BRAC data. They only talk about full-time positions. All of this in the time when recruiting retention is a serious challenge nationwide for all of the uniformed services. All this in a time when our A-10 Air Guard units are stretched to their limit deploying overseas to meet air expeditionary force and war time tasking.

Ladies and gentlemen, Commissioners, I'm supportive of the BRAC process when its used to transform our military for emerging threats. However, in this case, the facts and logic to lock the gates of Battle Creek and move the aircraft to Selfridge is not an enhancement to modernize our military. Is not cost justified and is not best for America.

Now, let me turn to the consequences of relocating A-10s to Selfridge. Unlike an active duty base closure where personnel are transferred to other bases, only a few well-trained combat seasoned

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personnel from the 110th Fighter Wing will be given the opportunity to matriculate to the newly formed A-10 unit in Selfridge. It's important to understand that when the F-16s at Selfridge are replaced by the A-10s, that defined as a unit conversion. Selfridge personnel, full-time employees, traditional Guard men and women will have placement in a sign-up priority thereby filling nearly all the jobs in the military positions. The consequences will be the loss of hundreds of 110th Fighter Wing personnel to include everyone from pilots to aircraft mechanics, to munitions specialists. A great deal of expertise and combat experience will be lost forever.

Standing up a new A-10 unit will require the retraining of Selfridge personnel, and this will have a staggering effect. The Selfridge A-10 unit would drop to the lowest combat ready status and be nondeployable for at least three to five years depending on the availability of training school assets. Not a good situation to fulfill A-10 air expeditionary force overseas rotation commitments or good for America.

The retaining of personnel will cost in excess of $60 million, which is a fact that seems to have eluded the Air Force leaders and programmers. As

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we wage the war are global terrorism, can we afford to put aside a much needed combat capability for five years? It's important to remember that the A-10 and the marine Harrier aircraft are the only fighter assets capability of operating from austere airfields. This facts was crucial when US forces deployed to Bagrum in support of operation against Al Qaeda.

Another major consequence is the issue of recruiting within the State of Michigan. The effect of closing Battle Creek Air National Guard Base is the elimination of the entire west side of the state in the recruiting pool. Closing Battle Creek results in the removal of the Guard from the hometown and the loss of important community connection. The 110th Fighter Wing's retention and statistics are unmatched by any other A-10 unit in the Air National Guard. Losing this recruiting base in west Michigan at this time in our nation's history is a tragic mistake.

There are other adverse consequences. Including the cost of facilities to accommodate the A-10s, the loss of Homeland Security and the disaster preparedness assets, and the list goes on and on. Time does not permit me to elaborate, so allow me to switch gears and speak to the military value of the 110th Fighter Wing, Michigan Air National Guard.

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Since 1991 when the unit converted to the A-10, the unit has completely modernized the facility. More than $44 million in construction funds have been used in this endeavor. One by one buildings and facilities have been reconstructed or built from the ground up to accommodate special mission requirements of the A-10. Just last year the base completed a state-of-the-art munitions complex as quantity criteria for high explosive ordnance, a rare distinction for most Air National Guard Bases.

Speaking of uniqueness, there are three others I just like to mention. The first is a 10,000 foot runway. Second is availability and close proximity of an air-to-ground range where pilots can train with live ordnance and state-of-the-art thread emitters and air combat. There is a lack of encroachment and noise complaint issues for the airfield. By anyone's opinion this base is a modern, cost efficient facility providing the most ideal Michigan location for A-10 operations.

I hope that you will be able to schedule a visit to personally observe what we have at Battle Creek.

Commissioners, while I believe the BRAC process to enhance military transformation, the

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recommendation for the closing of the Battle Creek Air National Guard Base is inconsistent with stated BRAC philosophy and criteria. The expertise and combat experience unique to the A-10 will be lost should the aircraft be transferred to Selfridge. I've attempted in a very short time to describe the important value of the 110th Fighter Wing and the base at Battle Creek. Please allow me to conclude by saying that I realize that each Commissioner panel has a role to play in this hearing, in this process, a fact of which I have a deep appreciation.

I urge you to use your authority as BRAC commissioners to correct this error and remove Battle Creek Air National Guard Base from the closure list. Thank you for your time and attention this afternoon and I would like to introduce a fellow Vietnam veteran, the Honorable Mayor of Battle Creek, Mayor John Godfrey.

MAYOR GODFREY: Thank you. Battle Creek, Michigan is a mid-sized midwestern city best known for three things, cereal manufacturing, automotive suppliers and the support of the military. Since 1917 when we first trained soldiers for World War I, Battle Creek has supported tens of thousands of permanent and temporary military personnel. Today Battle Creek is

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the proud home of the 110th Fighter Wing housed at the WK Kellogg Airport with an estimated federally funded investment of over $44 million, plus the benefit of a 10,000-foot runway paid for by a voter approved bond issue, a brand-new 110 foot control tower, plus the plans for a new parallel runway, our airport is a superior facility. We have unincumbered air space and the land to grow. We have aggressively prevented residential and commercial encroachment near the airport. We have ensured that there are not any noise restrictions, noise abasements or noise sensitive areas within a 25 mile radius of the airport.

Battle Creek has invested 1.2 million in local dollars to build an optical ethernet fiber ring providing dedicated and secure strands to the WK Kellogg Airport. The city of Battle Creek has dedicated these 320 acres for military expansion at the WK Kellogg Airport and, Commissioners, we will honor that commitment.

The 110th Fighter Wing is at home in Battle Creek and we are proud to support the most deployed and combat ready A-10 fighter wing in our nation. Our history, culture, environment, pride, participation capability and enthusiasm for the 110th Fighter Wing is unmatched. In Battle Creek we are proud to put our

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money where our mouth is by providing space, the legal protections and superior infrastructure to support the Air National Guard and warfight. Please take the time to visit Battle Creek and see for yourselves what I have been talking about.

Thank you for your time and attention to this important matter. Now it is my honor to also introduce a fellow Vietnam veteran, our U.S. Congressman Representative Joe Schwartz.

CONGRESSMAN SCHWARTZ: Congressman Hansen, Admiral Gehman, General Turner -- is the mike working?

COMMISSIONER GEHMAN: Oh, yes.

CONGRESSMAN SCHWARTZ: All right. They were shoving microphones at me, I was wondering there for a moment.

You're engaged in a difficult process, and if I may say, I hope that the testimony you've heard today has raised some doubt in your mind with respect to the Department of Defense's decision to close the Battle Creek Air National Guard Base and move the 110th Fighter Wing to Selfridge. I would like to see ideally a real Michigan solution to this, because we don't dislike Selfridge and I know Selfridge doesn't dislike us. We would like to see them both stay open and see the Michigan Air National Guard remain a

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robust unit with numbers of aircraft other than the A-10s, and perhaps, and only perhaps, some refueling aircraft at Selfridge.

This really results in a dismemberment, an evisceration, if you will, of the Michigan Air National Guard, a unit with a very, very proud history. As a naval officer, a surgeon, former Mayor of Battle Creek, several Mayors prior to Mayor Godfrey, 16-year veteran of the State Senate, of which I was President Pro Tem for 10 of those 16 years, and now a U.S. Congressman, I've always been proud of the citizens I represent. The people of Battle Creek have always supported the military. And despite the long roll call of deployments over the past 13 to 14 years of the 110th, Bosnia, Kosovo, Operation Northern Watch, Operation Southern Watch, Operation Noble Eagle, Enduring Freedom in Afghanistan, and now Iraqi Freedom, the 110th has always been manned at over a hundred percent.

Let me free associate for a moment, if I may. Military need has been held up as a criteria. Closing Battle Creek, moving the 110th, but actually just moving the iron, they are not moving the talented people who operate the 110th, just moving the iron to Selfridge, is antithetical to any real military need.

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This is a conversion. It's not a transfer. And they are going to have to stand up a new unit and it's going to take three to four years to do that. And this is a unit that has been deployed every time A-10s have been needed.

As someone who -- I mentioned Admiral Gehman before was battalion surgeon for a marine battalion in Vietnam, we understand what close air support means, and the A-10s are the close air support machine now, and because they've been given a new life, I think the future -- as you know, the Army and the Marine Corps love them. And to take an A-10 unit which is fully operational, ready to go on a moment's notice, and put it into essentially a standdown, I believe makes no sense.

As you know, a replacement aircraft is not even on the horizon. It's somewhere over the horizon. F-22s in a few years. But they are not the close air support replacement aircraft. The F-35s now by sometime in the middle of second decade of this century, if we are lucky.

So, first, standing down an A-10 squadron makes little or so sense. Standing down the F-16 Block 30s at Selfridge makes no sense either. And on the Armed Services Committee on which Congressman

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Hansen served and on which I serve, we hear again and again and again in both closed and open sessions about the need for lift capacity. And it's difficult for me to understand why a perfectly good squadron of C-130s is being retired when the lift capacity is not there.

I believe that both Selfridge and Kellogg field and Battle Creek should remain open as Guard bases. I believe that the Michigan Air National Guard should remain the robust, active, productive, honored and decorated unit that it has been for so many years. Having said that, Congressman Hansen, Admiral Gehman, General Turner, you must come to Battle Creek and inspect the 110th Fighter Wing for yourselves. As far as I know, we are the only Air Force Base, Army position or naval station slated for closure that has not received a commitment from the Commission for a site visit.

Don't let the service of 900 members of the Air Guard and its 48-year history come to an end without fully investigating.

I thank you for hearing us out. It's a pleasure to be here. It's been a pleasure to meet the three of you. Thank you, sir.

COMMISSIONER GEHMAN: Thank you very much. And I know I speak for my fellow commissioners when I

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express gratitude for the detailed and very specific analysis that you did. We value that very highly because we have a limited number of analysts and a limited amount of time. And anything you do is very valuable to us. And so now we've got some homework and we'll run back and do some homework on it.

I have one question and I'll see if my fellow Commissioners have a question. I think it's really for the gentleman who provided the analysis there in which he challenged the military value calculations essentially based on the criteria.

Am I incorrect, or would I be wrong, to say that the criteria that the Department of the Air Force used -- at least this is what I think you told me -- that it applies mostly -- it applies more accurately to active military bases and doesn't apply very well to reserve bases and Air National Guard bases and therefore you get this skewed -- you get these skewed answers. But wouldn't the skewing be the same for Selfridge?

MR. ERICKCEK: That is a good question. When I looked at the report, I looked at it in the eyes of the Kellogg field and the position of the Kellogg field, performance of the Kellogg field. And it went more than looking at the bias to large and

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small bases. It also looked at the questions that were asked and which are really important, because it's from those questions that analysts have to determine, and we feel that the questions were simply not well formed.

COMMISSIONER GEHMAN: Yes, I take that point. I've got that point. And I'm not arguing that with you. You kind of get the answer to the question that you asked. And I understand that. But my question is we have two Guard bases here, Selfridge and Kellogg. And if the question -- if the whole questionnaire is skewed to the detriment of the Reserve and Guard, wouldn't both bases be skewed?

MR. STUMP: Yes, but Selfridge had -- does have some advantages over Battle Creek in that they have all of the military services there. They have the Naval Reserve, they have the Navy, they have CH47 helicopters with the Army. We have the Casey 135Rs with the Air Force Reserves, which will be deactivated, and that whole Reserve unit will now move from Selfridge to Florida. How many part-time Reserve people do you think are going to move from Michigan to Florida on drill weekends to go there? So that will be done. KC-135Rs, eight of those will come over, and C-130 units, four more, and A-10s, but Selfridge is

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somewhat unique in that it is the largest Air National Guard Base in the United States and has all the military services there. And it's like an active duty base because it has not only base housing but a commissary, BX, medical facilities, and so forth.

So Selfridge looks more like an active duty base than other Guard Reserve units.

COMMISSIONER GEHMAN: Thank you very much for that.

SENATOR SCHAUER: I believe our base was rated on two military criteria, one for A-10s, the other for UAVs. The A-10s scored very poorly. And I think the points that Mr. Erickcek brought up are the questions, the criteria that the A-10s were rated on really didn't make sense and really undervalued the military capability that they provided.

COMMISSIONER GEHMAN: That's helpful. We'll look into that. Mr. Hansen, did you have a question?

COMMISSIONER HANSEN: I think this group really made a very compelling argument and raised some things that we're going to have to look into. I'm grateful that they are here. They sure have piqued my interest. Thank you for your testimony.

COMMISSIONER GEHMAN: Yes, indeed. I thank you, too. As you may or may not know, the 30th of

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June -- I think it's the 30th of June -- in Atlanta, Georgia we are dedicating an entire hearing to Air National Guard issues, not geographically specific, because there's a whole question about how the Guard -- Army and Air Guard was treated in this. So we have a specific hearing for this. And so if you have input you'd like to make to the staff, we would be delighted to receive them.

SENATOR SCHAUER: Thank you very much. Thank you for the opportunity to be with you.

COMMISSIONER GEHMAN: Thank you very much. You get the last.

SENATOR LEVIN: The hearing on the 30th is, I think, really a vital hearing that effects so many bases around the country. It's kind of a generic issue, as you have said, Mr. Chairman, as well as a specific issue, because each base has got some specific issues as well, but there is a generic issue.

COMMISSIONER GEHMAN: Thank you very much, yes.

Good afternoon. We're pleased to have you here. This is our seventh state to be heard from this afternoon and we are all -- we're delighted to have you join us. As required by the statute, we can only consider certified data and sworn testimony.

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Therefore, we'll ask you to please stand and we'll swear you in. It's in the law.

(Panel sworn.)

COMMISSIONER GEHMAN: Thank you very much. We are honored to have you join us today, and to whom may I turn over the floor?

MR. KOHL: We thank you very much. I'm Senator Herb Kohl and on behalf of everyone assembled here as part of the Wisconsin delegation and those who could not be here, we thank you for giving us this opportunity to testify in front of this Commission. We come here today to dispute some of the recommendations made by the Department of Defense. We make it clear that we do not oppose a base closure process. The practice process while painful for local communities is a necessary part of our defense planning. In this time of severe budget pressure, we have a duty to taxpayers to make sure that their money is spent wisely and does not support infrastructure and facilities that are no longer needed. The reason we are here is not because we opposed the process but because we believe some of the decisions made by the Pentagon were misguided.

Later in this half-hour Governor Doyle will explain in detail why moving the 440th Airlift Wing

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from Milwaukee is short-sighted. Before that Senator Feingold will lay out a better picture of the capabilities and value of the some of the other bases and units in our state.

And I will take just few minutes now and outline three more general but very important reasons why the 440th should stay in Milwaukee.

First, the 440th consists of 2,000 well-trained experienced reservists with a successful history of excellence together. The Air Force estimates that 80 percent of the members of the 440th would end their association with the unit if it moves to North Carolina, and many would probably leave the military altogether. Though they can be replaced, we do not believe the cost of retraining and rebuilding the unit, or the time that it will take, has been adequately considered. Nor do we think the cost savings of starting the unit virtually anew in North Carolina are worth losing the intangible benefits of a well-performing unit with a shared history and many years of experience and continuity.

The 440th has been a part of our nation's security since World War II when it was involved in the Normandy Invasion. After 1957 it moved to Milwaukee, where it has been ever since. The 440th

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participated in the first Gulf War, our Operation in the former Yugoslavia, as well as humanitarian missions around the world.

Since 2001 they have operated as a part of the global war on terrorism in such far-flung places as Cuba, Uzbekistan, Afghanistan, Pakistan and Saudi Arabia. You can put a number on cost savings from consolidating payroll system or sharing maintenance facilities among different units. It is much more difficult, however, to quantify the value of seasoned teams staffed with Reservists proud of their shared history and dedicated to each other in their mission. Yet it is often exactly that intangible team spirit that distinguishes between an excellent and a merely adequate military unit.

And it is exactly that sort of team spirit that the 440th has now and will not have if it moves in name only to North Carolina.

Second, if the 440th moves out Milwaukee, it will leave behind a labor pool of approximately 12 million people. Many with exactly the sort of experience the Air Force Reserve needs, from Green Bay all the way down to the Chicago area. There will be no Air Force Reserve presence, even though there are three international airports in that region and many

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other smaller airports. All of these airports have workers, pilots and maintenance personnel that would make excellent candidates for the Reserves. These people already have the necessary skills the military needs, but they will have no place to serve in this region and their experience will be an untapped resource.

The quality of the human capital in Wisconsin needs to be considered when examining the Pentagon's recommendations. Wisconsin's long tradition of manufacturing leads to real benefits for the Department of Defense when it comes to the maintenance people who join the military. When the men and women of Wisconsin's Guard and Reserve come to training on a weekend or are deployed by military action, they bring with them valuable -- from their civilian jobs, invaluable knowledge of hydraulics, tool and die work and engine repair. The training they receive in the military and in the private sector, complement each other, paying huge dividends for the military.

Finally, the long history of the 440th at Mitchell Field as engendered strong community support and a willingness at every level of government to do whatever we can to make Milwaukee a supportive home

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for the unit. I think there is no better demonstration than that for the attendance at this hearing of a bipartisan delegation of federal, state and local officials. Though we were not given enough time to have everyone speak, making a trip to St. Louis with us today are Congressman Gwen Moore and Milwaukee County Executive Scott Walker. Your Commission's charged with making good strategic decisions while trimming the bottom line.

My colleagues will make the case that keeping all of Wisconsin's military installations operating as they are, and even expanding their role is part of a fiscally and strategically sound defense strategy.

But I also want to caution you against a mistake too many American businesses have made focusing on the cost savings and ignoring the intangible assets. Valuable human capital and available pool of trained labor to draw, community goodwill and support, these are all hard to put a number on. These are resources the 440th has in abundance. And as we spend the rest of this half-hour calculating the hard numbers of Wisconsin's case, I urge you to make these indisputable valuable assets part of your final calculation. Thank you. Senator

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Feingold.

MR. FEINGOLD: Thank you Senator Kohl, and thank you Commissioners for the opportunity to testify and, of course, for your tremendous patience today.

As Senator Kohl has stated, the Reserve component plays an important role in Wisconsin, and Wisconsin provides an excellent home for the Reserve and the National Guard. I've been a strong proponent of the citizen soldier concept since my days as a State Senator. The outstanding service I have witnessed from these brave men and women, especially in the last four years, prove that this is a durable model for future forces. Wisconsin continues to be at the top when it comes to recruitment and retention and our facilities are world class with room to grow.

The Department of Defense recognized these positive attributes in all of Wisconsin's facilities except one, the General Mitchell Air Reserve Station, which of course the Governor will speak about soon in more detail.

I want to quickly discuss with you the other military installations in Wisconsin that are impacted by BRAC. Fort McCoy is a major contributor to the readiness of the armed forces serving as a training center and support site for power projection missions.

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With its large surge capacity, the base ably handled the massive increase of the nation's training and deployment needs after September 11st, 2001. Approximately 130,000 personnel trained at Fort McCoy in each of the last two years. This number includes training conducted throughout the year by all branches of the service, active and reserve component, and troops processing for mobilization and demobilization. The last few years have shown that Fort McCoy's large training area modern transportation capability and excellent infrastructure give it the ability to accommodate both current and future training and mobilization requirements.

The Secretary of Defense recognized Fort McCoy's strength and chose it to be the home of the newly formed Northwest Regional Readiness Command. This move is part of the Army Reserve's efforts to reengineer and streamline its command and control structure.

Yes, the Secretary's recommendation also sends some existing activity to Fort Knox. We believe that Fort McCoy's new mission will take advantage of its strengths and will contribute to expand joint training opportunities in the future.

The final point I'd like to emphasize about

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Fort McCoy is that the secretary chose it for its new mission in large part, again, because of this issue of the strong recruiting and retention pool in Wisconsin. The recommendation states that, "The sites selected were determined as the best locations because they optimized the Reserve components abilities to recruit and retain Reserve component soldiers and train immobilized units impacted by the recommendation".

I say to you that this is an important point. The Army recognized Wisconsin's ability to recruit and retain Reserve component personnel, which is why it is bringing new missions to Wisconsin. Unfortunately, this is not something that the Air Force Reserve took into account when it came to the General Mitchell Air Reserve Station recommendations as the Governor will discuss.

The Secretary's recommendation also will result in the Wisconsin Air National Guard getting three F-16s for the 115th Fighter Wing at Truax Field and three Casey-135Rs for 128th Air Mobility Wing at General Mitchell Field. The Secretary's recommending these moves as part of the Air Force Future Total Force Plan to increase squadron sizes, to leverage efficiencies and increase global capability and enhance Homeland Security.

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The Secretary's recommendations here come as no surprise. Considering the military value of the facilities at Truax Field and General Mitchell Field both the 115th and the 128th have the necessary ramp space to handle additional aircraft beyond the proposed increase. Both have access to over 80,000 square miles of air space dedicated to military training. Both are located at good-size airports that are not too big. Both have very experienced personnel. Some of the best retaining and recruitment levels in the country. Both are strategically located for homeland defense needs. Both can take full advantage of the unique joint training opportunities provided by the state-of-the-art air combat training system located at Volk Field just a few minutes' flight time away.

The military value of both facilities has been tested and proven over the last few years. F-16s from Truax Field started flying combat air patrols immediately after September 11th. The 120th Air Refueling Wing also immediately began supporting Operation Noble Eagle. Both wings continue this mission and also have aircraft deployed around the world in support of current operations .

We are gratified that the Secretary's

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recommendation recognized the military value of both the 115th and 128th and are pleased that they will be able to expand their missions on behalf of the nation.

In conclusion, we believe that the Secretary's recommendations regarding Fort McCoy, the 115th Fighter Wing and the 128th Air Refueling Wing take advantage of the existing military value and will optimize the operational capacity, efficiency and joint training and fighting opportunities of these Reserve components.

The National Guard and Reserve continue to prove their value to the nation on a daily basis and we are pleased that in these three cases their contribution has not been underestimated. I thank you, Commissioners.

COMMISSIONER GEHMAN: Thank you, sir. Governor.

GOVERNOR DOYLE: Thank you. And thank you members of the Commission. We appreciate your patience. We understand we are seventh in a long line today and we appreciate that you have given us this opportunity.

I know the Department of Defense had to make hundreds if not thousands of decisions, some big, some small in this process, and we appreciate the

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Commission's role to review those decisions and to determine whether some of them might have been mistaken or made without complete information. I'm here today primarily to show how we believe that the Department of Defense's recommendation to close the 440th Airlift Wing is a mistake. It is important that the current -- the Commission have the most current information on cost, infrastructure and military readiness before moving in that direction. Over the next several months Wisconsin wants to review more of the raw data that will come out surrounding the staff recommendations, but today I would like to demonstrate the significant value, not only to Wisconsin, but to the military of keeping the 440th in Milwaukee. Even while the Air Force Reserve has not done as well nationally, the 440th has consistently maintained a higher retention staff -- higher retention of skilled staff.

Members of the 440th have over 4500 combined hours of flying and maintenance experience, and the loss of that experience will have a negative effect on combat readiness. That loss -- that loss of combat readiness will have to be rebuilt over years at another location.

The Chicago-Milwaukee area, going on up to

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Green Bay, and in fact just the other day I met a person from the Upper Peninsula of Michigan who was part of the 440th -- we are drawing from 12 million potential recruits. The 440th has consistently exceeded recruitment numbers at 110 percent or moreover the last four years. Many of the members of the 440th -- all of the members of the 440th are patriotic Americans who want to serve, but it is unlikely, given their civilian jobs, that they would be able to continue to serve if the 440th is no longer there. Many have civilian jobs at O'Hare, at General Mitchell Field and at other air facilities and are able to draw on that civilian work in their Reserve capacity. And businesses like Milwaukee-based Durco, the second largest military services and maintenance supplier only to Lockheed Martin, and their proximity to these experienced pilots and maintenance crews at Chicago and Milwaukee airports, provide the 440th with an unmatched pool of experienced C-130 workers. Today the 440th can accommodate 12 C-130s, but with minimal additional funding we could accommodate 16 C-130s. The 440th did not receive credit for a ramp project that will be completed by the end of this month, and a second taxiway that is already complete when the -- was already completed by the time the original data

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was reviewed. The 440th is in pristine condition. And I will hope you will talk to Commissioner Skinner whose visit there we deeply appreciate, and who had an opportunity to look at this facility just last week. We are very proud of its condition.

Because the Milwaukee airport ranks 68th in air congestion, the air space over Wisconsin is uncrowded and open virtually any time for the training needs of the 440th. By moving the 440th, the Air Force would no longer be taking advantage of the wide open air space in Wisconsin. Some of the most open air space you will ever find. And it is just north of the third largest metro area in the country. If you have the opportunity to talk to pilots that have flown in the Wisconsin air space and trained there and have also been in more congested areas, they will tell you no waiting time, get to low altitudes quickly, get in and out and do their training missions. I've heard it referred to as an "air playground." But it is open air space that is available for the mission -- training mission of the 440th.

The 440th is just minutes away from military training routes, and there is little competition for this vitally important training space. Unlike at other installations such as Oceana that have

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encroachment problems, I know it's one you deal with at many air bases, the 440th has room to grow and expand. Surrounding the 440th there is state property and additional land available. If you recall the picture of Wisconsin's air space, this is vastly different from what you have seen elsewhere. The enormous congestion you see hear in the Atlanta area near Dobbins directly training effects -- the training opportunities for the Air Force, Navy and Army. Not only does it hurt training efforts, the congestion contributes to lost time and wasted resources. This is something that the 440th doesn't have to compete with in Wisconsin.

Now, we understand that one of the reasons that BRAC process was started was to find greater efficiencies. As you can see, we believe the 440th is one of the most cost effective bases in the country. There are savings and efficiencies that have not been adequately considered. And there are inconsistencies in the cost savings data. We know for a fact that the one -- that the $1.1 million in savings from the depot were not included. We think there are more savings and we intend to provide that data to the Commission. The BRAC process is not the proper forum to recapitalize the active duty C-130 fleet. We are

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proud and confident that we have the best Air Reserve unit in the country. Instead of moving people, it makes sense to move more planes to Milwaukee where there is the capacity, a highly trained workforce, and an abundance of open air space.

In the case of the recommendation to close the 440th, we believe a mistake has been made. The data was not the most up to date. And other opportunity costs, like combat readiness and pilot training and industrial-based cost savings were not included. The proximity to Durco is tremendously important in being able to provide safe and well-maintained airplanes at reasonable costs.

We encourage you to review the infrastructure improvements and think you'll find the 440th is second to none. The 440th will not survive the recommended move intact, resulting in a huge loss of experience and capability for the Air Force Reserve. We believe the 440th Airlift Wing is best based in Milwaukee, Wisconsin. We think you will be hard-pressed to find a place where you will have the same access to trained pilots and air mechanics and other maintenance workers.

So, on behalf of Senators Kohl and Feingold, Congresswoman Moore, Milwaukee County Executive

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Walker, and all the citizens of Milwaukee, I thank you again for your time. We appreciate the Commission listening to a number of issues. We understand you have a very small window of time to finish a very difficult task. We understand, as well, that you appreciate the Reserve and National Guard and what an invaluable role they play to the defense of this country, and that they play to the State of Wisconsin.

Through our testimony today I hope you will see the full support of the delegation and the people of Wisconsin who are citizen soldiers in our Reserve and National Guard. Our men and women overseas continue to play a vital role in the security of our nation and our nation's interest throughout the world. Some places in Wisconsin fared better than many other states in the first part of this process, and we're pleased the military is reaffirming its long-term commitment to Fort McCoy and Volk Field, to our facilities in Madison, and to the 128th Air Refueling Wing at Mitchell Field.

But we also believe that mistakes were made and not all the information was looked at regarding the closure recommendation for the 440th. We look forward to working with you in the months ahead. We will provide any information that you might ask for.

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We look toward to receiving some of the additional data so we can compare it. We believe we can demonstrate keeping the 440th open is cost effective and is in the best interest of the defense of the United States of America. Thank you all very much.

COMMISSIONER GEHMAN: Thank you. I certainly will express to you the same sentiments that we've expressed several times today, and that is if you have a -- as you get the data, which we are getting it the same time you're getting it, we don't have any special influence with the Department of Defense, but if you are challenging some of the ways that military value is calculated, or if you and your analysts have a difference of opinion as to how much the move costs or how they have done the arithmetic, we invite you -- we request that you share that with the BRAC staff back at Crystal City by telephone, fax, come visit us, whatever you want to do. Because we have only a limited number of analysts and we, frankly, need help for you to do that work for us. And then we will then begin the process of sorting out who is right and what we're going to believe.

So I thank you very much for pointing those things out and if you -- if you are under the impression that one of these values was incorrectly

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calculated or something, if you could show us where you think the errors were made, we would be delighted to cause the Department of Defense to answer those questions. Any questions, sir?

COMMISSIONER HANSEN: May I ask did Wisconsin lose any military installations in the '91, '93 or '95 rounds?

GOVERNOR DOYLE: No, we did not. Is that right -- no, we did not.

COMMISSIONER HANSEN: Thank you.

COMMISSIONER GEHMAN: Gentlemen, thank you very much for traveling all this way. We, as I indicated before, have a relatively small analytical staff. We consider these public hearings and the participation of elected officials and the communities to be an adjunct to our staff, and we to this day only received one half of the story, the Department of Defense's half.

We are now beginning to receive the other half of the story, and we rely upon the hard work of you and your constituents to help us with that. And we are very, very grateful for that.

This concludes the St. Louis Regional Hearings. I would like to thank the City of St. Louis, St. Louis University, all the people who helped

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put this on. I know there were a lot of people who worked very hard to make this thing happen and we're very grateful. Thank you very much. This meetings is closed.

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C E R T I F I C A T E

I, Debra M. Musielak, Registered Diplomate Reporter, Certified Shorthand Reporter within and for the States of Missouri and Illinois, DO HEREBY CERTIFY that I was present at the hearing on the date and at the place aforementioned and that the aforesaid proceedings were had as appears herein, and that this is a true and accurate record of said proceedings.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21st day of June, 2005.

CERTIFIED