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DEFENSE BASE CLOSURE
AND REALIGNMENT COMMISSION

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CHICAGO, ILLINOIS :
REGIONAL HEARING :
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- :

The following transcript of proceedings had in the above-named matter at the Rosemont Convention Center, 5555 River Road, Rosemont, Illinois on the 12th day of April, 1995, 10:00 a.m.

PRESENT:

CHAIRMAN ALAN DIXON
COMMISSIONER WENDI L. STEELE
COMMISSIONER JOSUE (JOE) ROBLES, JR.
COMMISSIONER S. LEE KLING
COMMISSIONER AL CORNELLA

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1 CHAIRMAN DIXON: Good morning, Ladies and
2 Gentlemen, and welcome to this regional hearing of
3 the Defense Base Closure and Realignment
4 Commission.
5 My name is Alan Dixon and I am
6 chairman of the Commission and charged with the
7 task of evaluating the recommendations of the
8 Secretary of Defense regarding the closure and
9 realignment of military installations in the
10 United States.
11 Also, here with us today are my
12 colleagues, Commissioners Al Cornella, Lee Kling
13 and Joe Robles, and I believe we expect
14 Commissioner Wendi Steele very shortly.
15 First, let me thank all the
16 military and civilian personnel who have assisted
17 us so capably during our visit to military bases
18 represented at this hearing.
19 We spent many days looking at the
20 installations that are on the secretary's list and
21 asking questions that will help us make our hard
22 decisions. The cooperation we received has been
23 exemplary, and we thank you very much.
24 The main purpose of the base visits

1 we have conducted is to allow us to see the
2 installations first hand and to address with
3 military personnel the all-important question of
4 the military value of the base.
5 In addition to the base visits, the
6 Commission is conducting a total of 11 regional
7 hearings of which today is the fifth.
8 The main purpose of the regional
9 hearings is to give members of the communities
10 affected by these closure recommendations a chance
11 to express their views. We consider this
12 interaction with the community to be one of the
13 most important and valuable parts of our review of
14 the Secretary's recommendations.
15 Let me assure you that all of our
16 Commissioners and staff are well aware of the huge
17 implications of base closures on local
18 communities. We are committed to openness in this
19 process, and we are committed to fairness. All
20 the material we gather, all the information we get
21 from the Department of Defense, all of our
22 correspondence is open to the public.
23 We are faced with a very unpleasant
24 and painful task, which we intend to carry out as

1 sensitively as we can. Again, the kind of
2 assistance we receive here is greatly appreciated.
3 Now let me tell you how we will
4 proceed here today and in all our regional
5 hearings. The Commission has assigned a block of
6 time to each state affected by the base closure
7 list. The overall amount of time was determined
8 by the number of installations on the list and the
9 amount of job loss. The limit on time will be
10 strictly enforced.
11 We notified the appropriate elected
12 officials of this procedure and we left it up to
13 them, working with the local communities, to
14 determine how to fill the block of time.
15 This morning it is our intention to
16 listen to the testimony from the states of
17 Illinois and Missouri for a total of 110 minutes.
18 At the end of the morning presentations, we have
19 set aside a period of 30 minutes for public
20 comments and at which members of the public may
21 speak.
22 We have provided a sign-up sheet
23 for this portion of the hearing, and we hope that
24 anyone who wishes to speak has already signed up.

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1 We would ask those of you speaking
2 at that time to limit yourselves to two minutes.
3 There will be an exception to this for ATCOM in
4 St. Louis, which has requested one minute for 15
5 people. I urge them to understand that one minute
6 is very brief and it will be strictly enforced.
7 That will be the one exception.
8 After the lunch break, we will hear
9 from the states of Indiana, Kentucky, Michigan
10 Ohio, Wisconsin and Kansas. Those presentations
11 will total 165 minutes, after which we will again
12 have a 30-minute period for public comment.
13 Let me also say that the Base
14 Closure Law has been amended since 1993 to require
15 that anyone giving testimony before the Commission
16 do so under oath, and so I will be swearing in
17 witnesses, and that will include individuals who
18 speak in the public comment portion of the
19 hearing.
20 With that, I believe we are ready
21 to begin, and may I say to the senator from
22 Illinois, and lieutenant governor from Illinois,
23 Senator Braun and Lieutenant Governor Kustra, I'm
24 embarrassed by the fact that I have to ask you to

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1 stand and raise your right hand, along with the
2 other distinguished witnesses, but would you all
3 do that for me, please. Would all of you that are
4 going to testify stand and raise your right hand.
5 (Witnesses sworn.)
6 Thank you very much.
7 And we are privileged to have the
8 Senator from Illinois, Carol Moseley-Braun, to
9 testify for three minutes. Senator Braun?
10 PRESENTATION
11 BY
12 SENATOR MOSELEY-BRAUN:
13 Thank you very much, Senator Dixon,
14 and Commissioners, I am delighted to be here, and
15 I hope that my testimony will help you to conclude
16 that the Army's recommendation with regard to
17 Charles Melvin Price Support Center and Savanna
18 Army Depot is an error and that that
19 recommendation ought to be rejected and that these
20 facilities not be downsized.
21 At the outset, I would want to make
22 two references: First, I'd like to submit for the
23 record remarks by Congressman Jerry Costello to
24 the Base Realignment and Closure Commission. I

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1 have two copies of that.

2 (Document tendered.)

3 CHAIRMAN DIXON: That will be admitted to the

4 record.

5 SENATOR MOSELEY-BRAUN: Congressman Costello

6 could not be with us this morning. He regrets

7 that very much, but he wanted his testimony to be

8 of record.

9 Second, Mr. Chairman, with regard

10 to my own testimony, I have a written statement

11 that goes into detail with regard to the issues

12 pertaining to this decision.

13 I submit that in the cases of the

14 Charles Melvin Price Support Center and Savanna

15 Army Depot, the facts do not support the closure

16 of these bases, and the criterion of the BRAC

17 process have not been met.

18 Given the shortness of time, I'll

19 not go through those criterion specifically, but

20 to say, Mr. Chairman, that the Charles Melvin

21 Price Support Center provides administrative and

22 logistical support services to the DOD and other

23 federal government agencies in the St. Louis area.

24 It is home to 436 jobs.

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1 The Department of Defense's
2 recommendation to close Price is related to its
3 decision to relocate the ATCOM from St. Louis;
4 however, you will learn from the subsequent
5 witnesses that ATCOM is not the primary user of
6 Price. ATCOM soldiers occupy 17 percent of
7 military family housing at Price and constitutes
8 only 4 percent of the transportation workload.
9 ATCOM occupies only 21 percent of the
10 administrative space on the installation and it
11 occupies almost none of the warehouse space or
12 open storage facilities.
13 During the Price presentation, you
14 will hear that the Department of Defense's
15 expected savings from closing the base does not
16 take into account many long-term costs.
17 The Army has overestimated the
18 total savings from closing down the military
19 housing units at Price, because most of the
20 residents of this housing are not connected to
21 ATCOM and will not be transferred out of the
22 area. Instead, they will require housing
23 subsidies if they are required to move off the
24 base.

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1 The military's calculations do not
2 take into account there's hundreds of thousands of
3 dollars in revenue the Army takes in each year
4 from renting space to tenants.
5 And, finally, the military did not
6 take into account a General Services
7 Administration estimate that said that renting
8 commercial space in St. Louis to house the Army
9 Publication Center that currently resides at Price
10 would cost about $2 million per year.
11 The Illinois witnesses who will
12 follow me also will present evidence that errors
13 were made in the decision to close the Savanna
14 Army Depot. The depot stores ammunition. It's
15 the home to the U.S. Army Defense Ammunition
16 Center and School, and it employs some 400
17 people.
18 Savanna is being closed because it
19 is being categorized by the Army as a Tier 3
20 caretaker depot, which stores unserviceable
21 ammunition that is slated to be demilitarized or
22 disassembled.
23 The Secretary recommended that all
24 Tier 3 depots closed.

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However, the most recent Worldwide Ammunition Storage Program report, prepared for the Joint Logistical Commanders, stated that all depots are full, and that, in fact, there is ammunition now having to be stored outside.

So the Army is spending about a hundred million dollars to demilitarize this unserviceable ammunition in 1995, which translates into disassembling about 95,000 short tons of ammunition this year.

To begin in 1997, the budget for demilitarization will be decreased by more than two-thirds. The Army is generating about 100,000 short tons of ammunition each year for demilitarization.

In addition, there are over 800,000 short tons of unserviceable ammunition positions to clean up the required -- clean up the base, and an additional $50 million for ground water treatment.

Although DOD said that it is obligated for costs to clean up the bases, and does not factor environmental costs into the decision to close a base, in reality, Savanna may

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1 never be able to house a commercial tenant.

2 I believe that every part of our

3 federal budget, including the defense budget,

4 needs to be reviewed. The BRAC Commission plays

5 an important role in that process.

6 As we move forward into the 21st

7 Century, the United States military must become

8 more efficient and more capable of responding to

9 changes in political, military situations

10 worldwide.

11 I believe though Savanna and Price

12 perform very necessary duties that integrate them

13 into the larger mission of the United States

14 military. The success of the military -- the

15 success of these centers really relates to the

16 concept that the whole is greater than the sum of

17 its parts. There is a synergy between the

18 different bases, personnel, supplies and other

19 parts of this system. Savanna and Price are

20 essential to maintaining that synergy or

21 efficiency, if you will, in a restructured

22 military.

23 I've spoken a little faster than I

24 had planned to because I didn't want to run out of

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1 time and, of course, these figures are not of my
2 own calculation, but they come from the staff.
3 But I wanted to say in closing,
4 Mr. Chairman, that you will hear testimony today
5 about the importance of these installations for
6 this part of the State of Illinois and I believe
7 also the importance of Price and Savanna and to
8 the military mission as a whole.
9 I encourage the Commission to focus
10 in on the efficiencies and to focus in on the
11 synergy between Savanna and Price and Scott and
12 the other military installations in this part of
13 the world, if you will, in this part of our
14 country, that working together there is an
15 efficiency that can be achieved that is not
16 available if they are separate and split and
17 reduced to their constituent's respect.
18 Finally, in closing, Mr. Chairman,
19 I want to say that Illinois has really suffered
20 and suffered more than its fair share in terms of
21 decisions for base closings going back in the
22 past, and that perception relates entirely, I
23 think, to what you referenced in your earlier
24 statement about fairness, in terms of the fairness

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1 of this decision that the BRAC would make.

2 Now I hope you take into

3 consideration that the State of Illinois has

4 already suffered, has already gone through several

5 base closings over the last decade and that the

6 cumulative effect of that has a negative impact

7 not just on Illinois but on the military mission

8 as a whole.

9 CHAIRMAN DIXON: Thank you very much,

10 Senator.

11 SENATOR MOSELEY-BRAUN: Thank you very much.

12 CHAIRMAN DIXON: Lieutenant Governor Kustra.

13 SENATOR MOSELEY-BRAUN: I'd like my statement

14 to be submitted to the record.

15 CHAIRMAN DIXON: Thank you. It will be.

16 PRESENTATION

17 BY

18 LIEUTENANT GOVERNOR KUSTRA:

19 Thank you very much, Mr. Chairman

20 and Members of the Committee. It's good to see

21 you again. It's always a delight to join my

22 former colleague in the Illinois House, Senator

23 Braun who is now a U.S. Senator.

24 Of course, I am delighted to be

here to share a few thoughts with you on this most difficult process and, once again, thanks to the Commission for the opportunity to present our views.

I might also add the governor sends his greetings. He happens to be overseas traveling and could not be with us today, but he certainly echoes the testimony of mine and the senator's.

First of all, let me begin by telling you that we created here in Illinois Operation Salute, which is an attempt by the State of Illinois to gather the resources of this state and to use those resources to provide you, the Members of the Commission, with all of the information you need to make the best decision you possibly can.

I have been privileged to work over the last few weeks with members of the Granite City community, with members of the Savanna community, in support of building a case for the Price Support Center and the Savanna Army Depot. I have come to the conclusion that that is really not all that difficult to do.

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1 I have worked with some fine
2 people, who you will hear from shortly, who happen
3 to have considerable expertise in military
4 affairs, far more knowledgeable than I am on
5 military affairs. I'm confident that when you
6 have heard what they have to say about these two
7 facilities, you will agree, as I have come to the
8 conclusion, that these are, in fact, vital links
9 to our nation's defense.
10 I think Senator Braun makes a good
11 point, and I would only accolade it. The State of
12 Illinois has paid its price. We have paid our
13 price in building this nation's military and we
14 have paid our price in reducing it in size.
15 One only needs to look back on
16 Shanuk (phonetic), Fort Sheridan and the latest
17 Glenview Naval Air Station to know that the State
18 of Illinois has been willing and ready to step
19 forward when we could play our role; however, we
20 have done that, and now we are here today looking
21 across the state that has not been blessed in
22 history with all of the facilities and the bases
23 that some of our friends, I'm told, in the
24 southern states enjoy.

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1 In fact, I remember when I taught
2 American politics, once upon a time, and a man
3 from South Carolina said if he had one more base
4 it would sink the whole State of South Carolina.
5 I don't think we have to worry
6 about the State of Illinois sinking because of
7 military bases. We are lean and mean here in
8 Illinois right now.
9 What we have, we think, is not only
10 important to the community to come before you to
11 make their presentation but, even more
12 importantly, we think that it is vital to the
13 nation's defense.
14 Again, it is my pleasure to work
15 with the people you are about to hear. Thank you
16 so much for having us.
17 CHAIRMAN DIXON: Well, thank you, Governor
18 Kustra. We appreciate those remarks from both you
19 and Senator Braun, and we are pleased to welcome
20 Major General John E. Griffith, U.S. Air Force
21 retired, speaking on behalf of the Charles Melvin
22 Price Support Center.
23 And may I inquire, General
24 Griffith, are you using the entire 22 minutes

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allotted to you?

MAJOR GENERAL GRIFFITH: Sir, I expect to use 12 or 13 minutes for the presentation and then would like to leave the balance for your questions, sir.

CHAIRMAN DIXON: There will probably not be questions. If there are any, we'll be delighted to direct them to you.

Do you want to allow any of your time to the distinguished chairman of the Madison County Board, Chairman Hagnauer?

MAJOR GENERAL GRIFFITH: Chairman Hagnauer's elected not to make a presentation at this time.

CHAIRMAN DIXON: I'm sorry to not hear him today. I've listened to the great chairman many times but with great pleasure.

Thank you, General Griffith. We are going to present your statement in the record.

GENERAL GRIFFITH: Yes, Chairman.

CHAIRMAN DIXON: Let the record show the statement of Senator Braun, Lieutenant Governor Kustra and Chairman Hagnauer will all be reproduced in the record. Thank you.

General Griffith?

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1 PRESENTATION
2 BY
3 MAJOR GENERAL GRIFFITH:
4 Mr. Chairman, thank you,
5 Commissioners, staff, I, in addition to being
6 joined by Chairman Hagnauer, and I want to
7 acknowledge Mayor Bellcoff of the City of Madison
8 and Brian Lott, who is of Congressman Jerry
9 Costello's staff, who's here this morning.
10 I'm pleased and honored to have
11 been selected to present the community view of the
12 recommended closure of the Price Support Center.
13 My comments this morning will
14 follow the outline that you see here. I will
15 discuss the various aspects of the Army's
16 recommendation, what we think about it and why,
17 some opportunities presented, and our conclusion.
18 The Army recommended -- the Army's
19 recommendation says that the Charles Melvin Price
20 Support Center's mission must be recognized and
21 adequately funded, and we certainly agree with
22 that. This is the Army's recommendation.
23 The Army further states the closure
24 of Price is related to their recommendation to

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1 relocate ATCOM from St. Louis, and a reduction in
2 the Army's presence warrants a corresponding
3 reduction in the Charles Melvin Price Support
4 Center.
5 Our colleagues from St. Louis will
6 discuss the reasons ATCOM should not move
7 following our presentations, and we should note
8 that we support their position; however, even if
9 ATCOM should move, this action is, in fact, much
10 more severe than quote, "a corresponding
11 reduction," unquote.
12 We believe the Army's rationale to
13 be flawed, as indicated here, and I will talk to
14 these areas. We will demonstrate the Army
15 deviated substantially from the closure by
16 criteria in several ways.
17 First, the military value of Price
18 is understated because ATCOM is not the primary
19 user. The Army fails to recognize the military
20 logistics value, both to the Army Reserve,
21 National Guard and other defense agencies.
22 In the next few slides we will show
23 just what a small part ATCOM is of the total
24 mission of Price.

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1 As Senator Braun noted, ATCOM
2 soldiers occupy only 17 percent of the military
3 family housing at Price, and ATCOM constitutes
4 only 4 percent of the transportation workload.
5 ATCOM occupies only 21 percent of the
6 administrative space on the installation and none
7 of the covered warehouse space. ATCOM occupies
8 only one-tenth of one percent of the enclosed
9 warehouse space and uses none of the open storage
10 area.
11 (Whereupon, a side
12 presentation was shown.)
13 I would like to call your attention
14 here to the pie chart on your left and, in
15 particular, to the slice of the pie labeled ILNG,
16 or Illinois National Guard.
17 I have visited recently with the
18 adjutant general of the State of Illinois. He
19 would like to locate more National Guard units at
20 Price rather than be forced out.
21 The Illinois National Guard will
22 have a major construction bill to face if they
23 must relocate the unit equipment currently at
24 Price to East St. Louis.

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1 Additionally, the Guard uses Price
2 as a training ground for the heavy equipment
3 operators. No other space is available locally to
4 facilitate that training, and the Army did not
5 include the National Guard in the reserve force
6 concept at Price.
7 We believe the Army seriously
8 understates the military value, and this
9 installation serves a vital support role for the
10 U.S. Army Reserve and the U.S. Army, the U.S. Army
11 National Guard, and other defense agencies, and
12 now there are still others who want to relocate to
13 Price even as the Army wants to close it.
14 As many of you know, St. Louis is
15 the transportation center of the United States.
16 The Charles Melvin Price Support Center is a real
17 crossroads in transportation mode, as indicated on
18 this slide (indicated).
19 It is one of the few remaining
20 military installations with direct on-base rail
21 service and capability and even fewer
22 installations have direct access to our nation's
23 great inland and waterway system.
24 You can see the attitude, the great

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1 location of the Charles Melvin Price Support
2 Center in this photo here, (indicating) and we'll
3 bring the lights up in a few minutes when I want
4 to talk from that chart there as well
5 (indicating).
6 Because of the location, other
7 defense activities have formerly requested space
8 at Price, and it is an example of the Navy's
9 requested over 250,000 square feet of space to
10 relocate the tooling of three models of aircraft.
11 The Navy has also suggested that a
12 joint tooling storage and distribution center be
13 formed at Price. The Air Force already uses the
14 installation to store tooling for the F4 Series
15 aircraft, thus avoiding the rent aircraft
16 manufacturers charge to maintain tooling
17 additional facilities after the production runs
18 are complete.
19 The defense contract management
20 agency wants to move an office of about 180 people
21 to Price, and, finally, the U.S. Coast Guard has
22 purchased 21 acres and will begin construction of
23 an operation and maintenance complex there later
24 this year.

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1 We believe the Army has overstated
2 savings and understated cost, both to the Army and
3 other defense activities.
4 We will offer several examples
5 wherein we believe the COBRA data to be
6 inaccurate.
7 First, in the case of the closure
8 of the military family housing, the Army has
9 claimed a savings of $1.8 million while local data
10 indicates that the annual cost to be only $1
11 million. Further, the Army did not compute the
12 cost of paying the quarters and variable housing
13 allowance for non-ATCOM occupants of military
14 housing who have to move when the facility in the
15 housing complex closes and the cost is almost 2 -
16 1/2 million per year, thus, 2.3 million of the
17 alleged savings is simply not there. The Army did
18 not consider the $700,000 now reserved in
19 reimbursables from tenants.
20 And, finally, on the cost front,
21 the Army did not report the cost of relocating,
22 nor the recurring costs of maintaining these and
23 other operations elsewhere.
24 In another BRAC action, the Army

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1 recommends merging the Army Publication Center in
2 Baltimore with the Army Publication Center in
3 St. Louis.
4 The Army's analysis for that move
5 noted that an additional 90,000 square feet of
6 space will be required at Price. This is at the
7 same time another part of the Army is saying we
8 are going to close Price, in addition to the
9 86,000 square feet of space that St. Louis
10 Publication already occupies at Price.
11 The General Services Administration
12 has informally estimated that obtaining that total
13 amount of space of commercial facilities, that is,
14 the 90,000 and the 86,000 in St. Louis, will cost
15 about $1 million per year. That space simply is
16 not available in any U.S. Government-owned
17 facility.
18 The Secretary of Defense has made
19 military housing a key readiness issue. The
20 military service chiefs have all cited the lack of
21 adequate family housing as a key factor in their
22 recruiting and retention efforts.
23 This quote is from a front page
24 article in the Washington Post of March 7th this

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1 year. Ironically, the article appeared on the
2 very date the Secretary of the Army was testifying
3 before this Commission that the Army wants to
4 close the Price housing.
5 The fact is that the non-ATCOM
6 soldiers in the St. Louis region are equally
7 central to military readiness and reserves
8 continued to be able to live in on-post military
9 family housing.
10 Even if all the ATCOM soldiers
11 occupying housing at Price today are transferred,
12 and those units are filled from non-ATCOM families
13 on the waiting list, there will still be a waiting
14 list of almost one year.
15 So, on the one hand, the Secretary
16 of Defense is saying housing is a readiness issue
17 and, on the other hand, the Army is closing
18 housing developments because they want to transfer
19 17 percent of the occupants.
20 We also do not understand the
21 Army's motive in reducing support to the reserve
22 forces when they rely more and more on those
23 reserves.
24 As we understand the Reserve

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1 Enclave Concept, it would encompass four buildings
2 at about four acres of land with the normal base
3 supports, like transportation, supply support,
4 security and fire protection.
5 I'll talk just for a moment. And,
6 again, you can see the proximity of the Charles
7 Melvin Price Support Center to downtown St. Louis
8 just across the river and to the north of the
9 downtown area, and on this map overhead,
10 (indicating) the black is the boundary of the
11 Charles Melvin Price Support Center located right
12 next to the lowermost lock of the Mississippi
13 River with the main channel of the river out
14 there.
15 The enclave concept is, as we
16 understand it -- and please understand this is a
17 little bit of license on my part in trying to
18 determine exactly what is meant, but the Army has
19 identified two warehouse buildings. There is some
20 office space there, (indicating) a building here,
21 (indicating) and that building has a railroad
22 track in it. One of the units they'll keep at
23 Price is a railroad company. So I presume they
24 want to enclave the railroad access as well.

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1 So that is, as we understand the
2 reserve complex, the reserve enclave. The green
3 area there is the commissary. The commissary is
4 also included in an enclave.
5 The blue area (indicating) is the
6 United States Coast Guard land that they have just
7 acquired with access across the valley to a wharf
8 that they'll house their cutters and the wharf
9 facilities that were washed out in the flood of
10 '93.
11 The orange cast area there is what
12 we understand to be the Defense Logistic Agency,
13 strategic material stockpile enclave.
14 So we have a number of enclaves on
15 this 686 acre facility. This area belongs to
16 Granite City and is their waste water treatment
17 facility (indicating).
18 The Army COBRA data says that the
19 recurring cost to the Army of operating this wharf
20 concept is $105,000 a year. I simply don't know
21 how one does that for that small amount of money.
22 We also think the Army needs to
23 give greater consideration to the quality of life
24 issue, both for the soldiers and families of all

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1 the other army and defense commands in the
2 St. Louis region, as well as for the thousands of
3 reservists who train at Price. We just believe
4 those soldiers are deserving of the same kind of
5 consideration.
6 We believe there's a real
7 opportunity for the active Army to continue to be
8 the host of Price and serve the needs of both
9 active Reserve and National Guard Army units in
10 the St. Louis region. Certainly, there's plenty
11 of space to expand. The Army depends more and
12 more upon the Reserve and National Guard forces
13 and again for a wonderful location for logistic
14 operation.
15 Should the active Army not find
16 this suggestion attractive, we believe the U.S.
17 Army Reserve Command should consider assuming
18 command of Price and turning it into a show place
19 and Reserve logistics operations and training,
20 then at least some of the cost of the operations
21 could be offset by good business practice.
22 Certainly, the current tenants of
23 Price are going to have to go somewhere at some
24 cost if Price closes. Why go through such an

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1 exercise?

2 We believe there's a moral

3 obligation to provide active and Reserve soldiers

4 a quality of life service that is provided now for

5 all of those soldiers within the St. Louis region.

6 As we said at the beginning, we

7 believe the rationale is flawed. The Army has

8 overstated the military value -- it has

9 understated the military value. It has overstated

10 savings and understated costs. They have ignored

11 the readiness side of the military family housing

12 and have not considered the opportunities

13 presented.

14 In conclusion, we believe the Army

15 deviated significantly from the established

16 criteria, and we believe that upon further

17 evaluation and examination the Commission will

18 concur with our point of view.

19 Thank you for your time,

20 Mr. Chairman, Commissioners. I will be pleased to

21 respond to your questions, if you have any.

22 CHAIRMAN DIXON: Major General, we thank you

23 for yours. There's 6 minutes and 45 seconds

24 remaining if any of my colleagues have questions.

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1 As I said earlier, usually there
2 are no questions because we make the dissertations
3 as, we go, and Commissioner Lee Kling, I think,
4 spent five hours with you folks down there and I
5 think asked all the questions. He's reported to
6 us.
7 But I do want to pursue the housing
8 thing a moment with you, because I believe you
9 were in Washington when we held the hearing there
10 some weeks ago and Congressman Jerry Costello had
11 written a letter, which I read at that time at the
12 hearing in Washington, which I thought was
13 interesting, in view of the fact that the
14 Washington Post that very day had a front page
15 article about the desperate need for housing for
16 our military people in this country, and at that
17 time the congressman pointed out, as the senator
18 did today and as you did today, that only 17
19 percent of this housing is actually used by the
20 ATCOM personnel.
21 And what is the other 83 percent of
22 the housing personnel there? What constitutes
23 that other 83 percent?
24 MAJOR GENERAL GRIFFITH: Sir, I haven't got

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1 the details there. I'll be glad to provide that
2 for the record.
3 CHAIRMAN DIXON: Just generally, we would
4 like the details for the record.
5 MAJOR GENERAL GRIFFITH: Yes, sir.
6 In general terms, the United States
7 Army Reserve Personnel Center in St. Louis is the
8 largest center of occupants as far as the unit is
9 concerned.
10 You have the Defense Magazine
11 Agency, the various defense logistic agencies, the
12 Coast Guard has a couple of folks there, and
13 there's just a myriad of army commands in the St.
14 Louis region.
15 CHAIRMAN DIXON: ELE, Defense Mapping, Coast
16 Guard, that sort of thing?
17 MAJOR GRIFFITH: The United States Army
18 Personnel Center.
19 CHAIRMAN DIXON: I ask you to provide the
20 staff with that information. There are a number
21 of bases that we are discussing where there are
22 some housing units, and I think we'll want to take
23 a close look at that.
24 MAJOR GENERAL GRIFFITH: Yes, sir.

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1 CHAIRMAN DIXON: Would you do that for us,
2 General Griffith?
3 MAJOR GENERAL GRIFFITH: Yes, indeed, I
4 will.
5 May I also state that hundreds of
6 those units at Price are brand new units. They
7 were completed in 1988 to 1990.
8 CHAIRMAN DIXON: I thank you for supplying
9 that. I neglected to ask how new they were.
10 Those are new units then?
11 MAJOR GENERAL GRIFFITH: Yes, sir. Yes, sir.
12 CHAIRMAN DIXON: Thank you very much.
13 Chairman Hagnauer, you have got
14 anything to add to that?
15 CHAIRMAN HAGNAUER: I have a statement I'm
16 going to read after Missouri is done,
17 Mr. Chairman.
18 CHAIRMAN DIXON: All right. All right.
19 And any other statements either of
20 you have will be reproduced in the record.
21 Does any of my colleagues have any
22 questions of our distinguished gentlemen?
23 (No verbal response.)
24 We thank you, General Griffith.

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1 There are four minutes remaining. Should our
2 friends from the Savanna Army Depot need those
3 extra minutes, they will be allowed.
4 We are delighted to have here
5 Mr. Al Ehringer, Co-Chairman of the Savanna Army
6 Depot Task Force, the former Director of the U.S.
7 Army Defense Ammunition Center, and Ms. Karen
8 Stott, Executive Director of the Savanna Chamber
9 of Commerce.
10 And who wanted to testify or do
11 both of you want to divide the time?
12 MS. STOTT: Both of us will.
13 CHAIRMAN DIXON: And who would like to go
14 first?
15 MR. EHRINGER: I'd like to go first.
16 CHAIRMAN DIXON: Thank you. We're delighted
17 to hear from you.
18 PRESENTATION
19 BY
20 MR. EHRINGER:
21 Commissioners and Chairman Dixon,
22 we'd like to thank you this morning for the
23 opportunity to appear before you, and we have a
24 rather mixed subject.

Southern Reporting Company

1 We have prepared our report in
2 response to the BRAC Commission following the
3 guidelines established for -- the guidelines the
4 BRAC established for preparing the report.
5 Our brief this morning will deviate
6 from that because we're not going to only talk
7 about the Savanna Army Depot and the Defense
8 Ammunition Center, we would like to talk about the
9 national ammunition storage problems, and I might
10 just add that everything in my brief here we have
11 backup data. We have army studies to back up and
12 support what we are to say.
13 I might add that we are not
14 including our personal opinions, and many of us on
15 this study group are people who have spent a
16 lifetime in the field of ammunition and we are
17 retired, but we just didn't work this kind of Army
18 depot. We traveled worldwide. Every one of the
19 people on the study group have practically visited
20 every ammunition depot overseas before they
21 retreated or returned back here. We have visited
22 and are very familiar with every ammunition depot
23 here and in the United States, so this all ties
24 into a real serious national problem.

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1 We would like to first point out
2 that due to the time restraints that we have we
3 will not go into detailed costs on dollars, but we
4 will give you dollar roll-ups.
5 We would, first of all, like to
6 commend a basic study that if you gentlemen would
7 have the opportunity we are providing to each one
8 of you as an opportunity to read a study that
9 provides guidelines and the condition of our
10 ammunition stockpile in the United States.
11 Now we are Army employees; however,
12 the Army is responsible for storing at wholesale
13 ammunition for all the other units, for instance,
14 for the Air Force, for the Navy, for the Marine
15 Corp and the Army. So we are talking about a
16 national storage crises.
17 In this area there has been a very
18 professional study made by ammunition logistical
19 experts who, under the ILC, have prepared a study
20 called "Wholesale Ammunition Stockpile Program."
21 It's also referred to by the acronym "WASP," and
22 it's dated 1993 -- October of '93.
23 Now this study is an excellent and
24 highly professional study. We totally support the

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1 accuracy of what it says and the manner in which
2 it is approached.
3 It identifies the problem areas.
4 It identifies what might be due to change and
5 assist in the problem and correct it. On the
6 other hand, the Army has prepared studies to
7 implement the closure of certain Army depots.
8 It is inconceivable that we would
9 want to close any ammunition depots at this time,
10 and we'll give you the facts, and our facts now
11 are not ours. They are Army figures.
12 There is no excess ammunition
13 storage space in the continental United States.
14 There are 11 ammunition depots currently existing.
15 Three of them are scheduled -- are proposed for
16 closure. The depots proposed are Savannah
17 Illinois; Scheneckady, New York; and Sierra,
18 California.
19 This shortage of ammunition storage
20 space was identified and forecasted in the 1993
21 WASP Study. To alleviate, one of the comments in
22 the WASP Study was in part on a very active and
23 vigorous demilitarization program.
24 Now demilitarization in ammunition

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1 means that you are rendering the military ordnance
2 incapable of its intended use.
3 Now the program for FY 94 is funded
4 at $110 million. It is our understanding that
5 this 110 million has not been totally furnished,
6 however, it is -- I think it's in the $95 million
7 figure right now, and we'll show you in just a
8 minute this amount of money, and we have private
9 industry and the ammunition depot all coordinated
10 and all trying to demilitarize ammunition as fast
11 as they can, but the returns from overseas and
12 from the entrenchment of the number of troops, and
13 so, therefore, there are basic loads coming back
14 into the wholesale storage program. It is
15 creating a very, very difficult position.
16 As of right now, we have absolutely
17 no storage space and, even after spending about
18 $96 million, we have made no inroads into this
19 backlog of ammunition that's scheduled for
20 demilitarization.
21 The May 1994 Army plan documents
22 that magazine space must be analyzed. First of
23 all, I like to go back to demil. Demil this year
24 is at 96 million with a potential of a 110

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1 million. Next year it will be reduced to
2 approximately 96 million. The next year it is at
3 32 million, then through the year 2203 it is cut
4 back down to 35 million.
5 Well, if we can't breakeven right
6 now with these huge tonnages coming back to the
7 United States and we are not reducing the tonnage,
8 we are in sad, sad shape, and we currently have
9 about 400,000 tons of ammunition scheduled for
10 demilitarization at the depot right now.
11 There is ammunition, large
12 quantities, large tonnages of ammunition stored
13 outside, which is acceptable, but it's a temporary
14 measure. It's a hazardous type of operation to
15 conduct; however, they thought the demil program
16 will accomplish more demilitarization than it has.
17 On this reduced funding for the
18 demil Program, at the end of 2003, instead of
19 having 400 or 400,000 tons in storage in the bases
20 here in the United States, we'll have $713,000
21 tons in storage scheduled for demilitarization we
22 are not keeping up with. It's outgrowing us so
23 very, very rapidly. The program is underfunded.
24 The place -- the ammunition must be

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1 stored within the constraints of federal law
2 established by the American people of distances.
3 That's why ammunition depots are located, for the
4 most part, at highly remote areas to get them away
5 from the public because of the hazard involved in
6 operations.
7 In May 1994, the Army documents to
8 concurrently realign depot tiers, establishing
9 what they call "Tier-One Depots." This is a
10 concept that is not new.
11 I started back to work in 1941 and
12 after World War II the Ordnance Board -- at that
13 time they called it "lead depot" instead of a Tier
14 One Depot. They called it lead depot, and so --
15 was discontinued because it was found to be
16 faulty.
17 We believe it is still faulty, but
18 the point is with this huge -- why don't we focus
19 our funds, such as we have in our total effort
20 towards Demilitarization, but we want to
21 concurrently also move 2.1 million tons of our
22 national stockpile out of a total of 3.1 million
23 tons.
24 Our national stockpile is 3.1

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1 million tons at this time, but to accomplish this
2 tier, it's going to require a movement of
3 two-thirds of this material (indicating).
4 Now for our purposes and in our
5 study this is an assumption that our study group
6 made. We made the assumption that only 25 percent
7 of that ammunition had to be moved inter-depot and
8 the rest of it would be -- that 75 percent would
9 be intra-depot movement. Our figures are based on
10 that assumption, which may or may not be valid.
11 We do not know.
12 We have determined -- our study
13 group has determined that the cost would be $185
14 million to accomplish this realignment. The Army
15 estimated $22.4 million to accomplish this
16 program. This is all documented in our study.
17 Continental U.S. ammunition space
18 -- ammunition storage space has been adversely
19 impacted by the record rate of ammunition from
20 Europe to Southwest Asia and reduced Army force
21 structure.
22 What is not identified and what has
23 not been placed into this study, that we are aware
24 of, is that the tonnages that will be coming --

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1 excess tonnages coming back from Army units, their
2 basic load and things like that, will be coming
3 into the wholesale Army storage system, and we do
4 not know specifically the material that is coming
5 to the ammunition wholesale system from the Navy
6 and Air Force.
7 So those factors must be factored
8 in, but all they do is to complicate a very
9 grossly overloaded tonnage of ammunition in our 11
10 depots.
11 Now if we close, as proposed, the
12 three tier depots, they store around 450,000 tons
13 of ammunition right now, that would be
14 superimposed on already an overloaded system.
15 Now I like to -- now after saying
16 these things, I like to just mention the fact that
17 we would like to talk about the Savanna Army Depot
18 activity and the U.S. Army Defense Ammunition
19 Center and School.
20 I might add that I was ordered by
21 the chief ordnance from Savanna to come to Savanna
22 in 1950 to establish a school. At that time,
23 ordnance had certain special missions that they
24 assigned to that depot commander at which were not

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1 germane to the depot itself, but they were to
2 support the National Ammunition Program. They
3 were called "Special Missions."
4 I subsequently was in charge of the
5 that area, as well as the school, and then,
6 subsequently, I became the civilian executive to
7 the commanding officer.
8 In 1971, I was selected by the AMC,
9 the Army Material Command, as the first director
10 of the Defense Ammunition Center School, and,
11 subsequently, I have retired from that area.
12 But the facilities in Savanna are
13 unique. It is not a typical ammunition depot, that
14 we have many storage structures there. We have
15 had many facilities that not available at other
16 installations.
17 We have an explosive waste
18 incinerator. There are only three in the United
19 States. This is associated equipment, that is,
20 meets all state and federal government
21 environmental laws and it is built and sitting in
22 standby at the Savanna Army Depot. It has not
23 been work loading. Work loading Savanna with its
24 waste incinerator would aid in reducing the

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1 demil -- the inventory of demil ammunition in the
2 United States.
3 We would like to see that it be
4 utilized to join with private industry and with
5 the other depots. Let's get this stockpile of
6 unwanted ammunition out of waste.
7 We also have the single source only
8 building and facility for the depleted uranium
9 rounds of ammunition, and it's a one-of-a-kind
10 facility. Right now there are 66,700 rounds of
11 depleted uranium ammunition that is scheduled for
12 Demilitarization; however, the facility remains
13 closed. Why? I can't give you an answer, but it,
14 too, should be an active producer and an active
15 member of the total demil effort.
16 The facilities for explosive
17 storage at Savanna are in total compliance with
18 the Department of Defense's explosive safety
19 standards and have been maintained in excellent
20 structural condition.
21 Savanna has been misnomered as
22 having a poor capability to respond to national
23 emergencies. We have documentation to prove that
24 it is the number one depot in the United States in

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1 their response to requisitions.

2 The engineering design of the

3 Savanna Army Depot, which is served at the

4 magazine by both rail and road, contributes to

5 this ability to respond.

6 Savanna Army Depot also is the

7 tenant or has a major tenant, the Savanna U.S.

8 Army Defense Ammunition Center and School.

9 The facilities at Savanna provide

10 an environmental ammunition backup and now use of

11 the ax is not an element for closure but it is for

12 relocation. We'll give you backup information to

13 show you the facilities that are utilized at

14 Savanna therein that it has a campus-like

15 atmosphere for the school. Everything is

16 state-of-the-art facilities. The engineering and

17 pilot model shop is in excellent condition, and I

18 would just like to point out -- I'm going to skip

19 on now because my time is getting away from me.

20 I'd just like to --

21 CHAIRMAN DIXON: Mr. Ehringer, you have three

22 minutes and 48 seconds left. I don't know how much

23 time you are going to allot to Ms. Stott.

24 MR. EHRINGER: A few minutes, sir.

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1 We would like to first say that
2 there's no access ammunition storage space in the
3 national stockpile, that demil stock continues to
4 grow faster and demilitarization is accomplished.
5 Retention of use of the access to Savanna will
6 save $57 billion.
7 The Army has substantially
8 underestimated the cost of moving ammunition from
9 Savanna to relocation to the use of McAlester, and
10 the tiering concept for ammunition should be
11 abolished. The decision to close the Savanna Army
12 Depot and relocate use of that should be reversed.
13 I thank you, sir.
14 CHAIRMAN DIXON: I thank you, Mr. Ehringer.
15 Ms. Stott, we are going to allow
16 you five minutes. We have a little extra time.
17 Will the timer please allot
18 Ms. Stott five minutes.
19 Ms. Stott?
20 MS. STOTT: Thank you. I appreciate that.
21 PRESENTATION
22 BY
23 MS. STOTT:
24 Chairman Dixon, Mr. Kling and

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1 Commissioners, we have no doubt that closing the
2 Savanna Army Depot and moving of USADCS, a very
3 valuable and definitely military valuable asset,
4 will have a very negative effect upon our area.
5 I have a few visuals, particularly
6 I'd like to show you exactly where the Savanna
7 Army Depot is located on the handouts that were
8 being passed around today. We are not there
9 (indicating). We are up in the northern corner of
10 the county of the state. Those two counties, Jo
11 Daviess and Carroll counties, (indicating) will be
12 negatively impacted. And I'd just like to show
13 you in these visuals something of the economic
14 factors that already impacts these areas. The
15 closure of the depot would be superimposed on top
16 of these characteristics.
17 So, first, directly three hours
18 west of us -- we are in a very rural setting and
19 our population has been going down. The census
20 shows that our county lost 11 percent, Jo Daviess
21 County lost 7 percent in the last census. Also,
22 we have not a great diversity in our economic
23 base. We depend a lot on agriculture and we all
24 know the state of agriculture these days.

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1 Also, we are an aging -- we have an
2 aging population. Nearly 20 percent of our
3 population is aging and no longer in the work
4 force. We also have a 20 percent poverty rate in
5 Carroll County at this point before any kind of
6 closure is being proposed.
7 So our premise is that closure in a
8 setting that is rural and remote like this will
9 have a much different impact than a closure of the
10 same kind of facility in urban or suburban areas.
11 We went to Northern Illinois
12 University where the Center for Governmental
13 Studies to help us determine the exact impact on
14 our area to help us do our home work, and these
15 were some of the conclusions that we drew, that
16 there will be a negative impact on four specific
17 areas: the employment, the personal income, the
18 retail activity and the tax revenue. I'd like to
19 talk about each specifically and just highlight
20 the important points.
21 As far as jobs go, we'll lose 624
22 jobs, 400 from the base, 224 spin-offs. That will
23 potentially increase our unemployment rate by 2.8
24 percent, putting our unemployment rate at 610.6

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1 percent -- 10.6 percent, which would be one of the
2 highest unemployment rates in the entire State of
3 Illinois.
4 Another thing that I would like to
5 highlight about the wages, we know that
6 approximately $17 million in wages will be removed
7 from our economy should the base close and move to
8 McAlester, Oklahoma.
9 The highly-skilled and
10 highly-trained people at USDACS at this
11 one-of-a-kind facility in the world pays much
12 higher wages than people in the military.
13 So the kind of wages that are
14 disappearing from our economy are more in the top
15 level, and they represent 10 percent of the total
16 private payroll in our two counties, and as far as
17 other economic activity, we know that we would use
18 345.5 million in sales, 27.1 million as a result
19 of Savanna's closing and use of the USDACS
20 relocating, not that these two concepts have to be
21 tied together, and 8.4 million from other
22 businesses, the spin-off effect. The retail will
23 lose approximately 2 million, and service
24 industries approximately 2 million.

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1 And the final thing that we are
2 going to have time to look at is the loss in tax
3 revenue to the State of Illinois. There will be
4 over a million dollars in tax revenue loss, of
5 course, in sales tax and income tax. The local
6 economy will lose approximately $1 million in
7 property tax and sales tax.
8 We are -- we wouldn't have any
9 local presence without mentioning our schools.
10 Every place that you will visit will have this to
11 say to you, I'm sure, that our schools will lose
12 7 percent of their enrollment.
13 And then we think there's one
14 factor that perhaps you haven't figured into, the
15 return on investment. If USDACS is, in fact,
16 relocated to McAlester, you will probably incur
17 about $14 million in cost to purchase the homes of
18 the USDACS personnel that do relocate provided
19 that that percent to relocate that was predicted
20 in the COBRA data and that will be superimposed on
21 the loss of value that we already see in our land
22 and our buildings. There's already a trend.
23 So it's not highly predicted that
24 we are going to resell these homes without having

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1 to put government investment into shoring up the
2 cost for the use of USDACS people that are moving.
3 I think USDACS people are a very
4 valuable asset to the military. That has not been
5 questioned. You know, USDACS is scheduled to
6 move.
7 I know we have seen data that
8 one-third of the personnel that have retired from
9 USDACS have retired back in our area. There's a
10 certain culture that people have spoken to us
11 about, the culture of those people that work
12 together.
13 So we really encourage BRAC to
14 consider other alternative solutions to this
15 problem that would be more specific to the
16 economic condition that we live in and to the
17 training of our labor force. Please consider
18 alternatives possibly. Thank you.
19 CHAIRMAN DIXON: Thank you, Ms. Stott, and
20 thank you for bringing State Representative Ronald
21 Lawfer here. He's in attendance in the audience
22 and representing Savanna. We appreciate his
23 coming.
24 Ladies and Gentlemen, we appreciate

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1 your fine outstanding presentations by all of you,
2 as well as Senator Braun and Governor Kustra, and
3 if you have any other information you care to put
4 in the record, please contact our staff and it
5 will be appropriately reproduced in the record.
6 Thank you very much.
7 State of Missouri is allotted 60
8 minutes.
9 (A brief pause.)
10 Ladies and Gentlemen, we are
11 pleased to have the distinguished representation
12 from Missouri, including Governor Mel Carnahan and
13 the distinguished Mayor of St. Louis, Mayor
14 Freeman Bosley, Jr.
15 If you will please be seated, we
16 are going to proceed. These distinguished people
17 are entitled to your attention.
18 The State of Missouri. The
19 Commission is pleased to greet the distinguished
20 governor of the State of Missouri, Mel Carnahan,
21 for four minutes.
22 Governor Carnahan?
23
24

1 PRESENTATION
2 BY
3 GOVERNOR CARNAHAN:
4 Senator Dixon, Commissioners, we very
5 much appreciate your granting us this time to --
6 CHAIRMAN DIXON: Governor -- please stop the
7 clock. We'll start over. I humbly apologize.
8 It's hard for me to remember that I have to swear
9 you all in. I hope you'll take no exception, and
10 would you please raise your -- stand and raise
11 your right hands, all of you.
12 (Witnesses sworn.)
13 Thank you, Gentlemen. That's
14 required by federal statute.
15 Governor Carnahan, we are pleased
16 to have you here, sir. Please proceed. I
17 apologize for the interruption.
18 GOVERNOR CARNAHAN: I want to thank you for
19 providing us with this time to present our case.
20 I want to thank the Commissioners and the staff
21 for their attention during the site visits both at
22 Fort Leonard Wood and at the Aviation and Troop
23 Command.
24 Earlier you heard from the Illinois

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1 delegation regarding the Charles Melvin Price
2 Center, and we, in Missouri, are certainly
3 supportive of their efforts to keep that facility
4 open.
5 We are here, of course, to address
6 the future of the United States Army installations
7 in Missouri, and so first I would like to have a
8 few important words, and I'll kind of make them a
9 few, about Fort Leonard Wood.
10 Fort Leonard Wood, as you know, is
11 a state-of-the-art facility set the standard truly
12 for training engineers and not only for the Army
13 but for the whole Department of Defense, and that
14 facility, Fort Leonard Wood, has the facilities
15 and the resources to support additional missions,
16 such as the Army's chemical decontamination
17 training facility that's under consideration.
18 Yesterday -- and this is the news
19 that I want to present to you -- the Missouri
20 Department of National Resources announced the
21 issuance of two permits and released a third
22 preliminary permit for public comment.
23 You may notice that this is
24 probably ahead of any schedule that anyone would

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1 have expected. I'm also advised by the director
2 of the Department of Natural Resources that no
3 hazardous waste permit is required, and this is
4 largely due to the new pollution prevention
5 activities undertaken by the Department of Defense
6 over the last two years.
7 Every step is being taken to
8 protect the environment but also to insure that
9 the mission transfer contemplated is successful.
10 Fort Leonard Wood has served as a
11 vital asset to our company's military for over 50
12 years. We are going to do all we can in our power
13 to see that we serve for many more.
14 Now I would like to turn our
15 attention to the principal reason we are here
16 today and that is to address the proposed closure
17 of the Aviation and Troop Command, ATCOM, in
18 St. Louis.
19 First, as governor, as you would
20 expect, I have made economic development the top
21 priority, and I'm working in cooperation with many
22 of the same people that are appearing here today
23 both to create jobs and new businesses and
24 certainly recommend to the retention, and, we

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1 certainly do not want to see the thousand of jobs
2 leave that would be involved.
3 To put this in perspective, ATCOM
4 is a $2 billion industry in Missouri, and so,
5 therefore, of course, closing would be tragic.
6 I would remind you that Missouri
7 and the St. Louis area, in particular, has taken,
8 we believe, more than its share of the burden of
9 defense cuts.
10 When ATCOM was created, as a result
11 of the 1991 base realignment, 500 jobs were lost
12 at that time, and cutbacks in the defense
13 contracts have caused the loss of thousands of
14 jobs at McDonnell Douglas in St. Louis. So we
15 cannot afford to lose ATCOM because too much has
16 already been invested, both financially and
17 socially, but, furthermore, ATCOM will not only
18 hurt -- the closing would hurt Missouri's economy,
19 and this is the part that I think we can address
20 to you, it wouldn't be in the best interest of the
21 military and the best interest of the American
22 taxpayers.
23 The fact is that from aviation
24 services to food, water and clothing, ATCOM

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1 affects every soldier in the Army every day, and
2 the time lost dismantling, relocating and
3 rebuilding ATCOM, is an unnecessary risk and could
4 have an adverse effect on our readiness, but the
5 question that we can, I believe, answer for you
6 that you're asking -- you should ask is does the
7 taxpayer save money by the proposal.
8 Since no one is discussing the
9 elimination of service that ATCOM provides, we are
10 forced to compare the cost of the savings of
11 relocating ATCOM to another facility. One of our
12 findings demonstrate that moving ATCOM would cost
13 the American taxpayer literally tens of millions
14 of dollars.
15 Now here with me today are leaders
16 and experts who are going to present the details
17 of our case. They'll show you, I believe,
18 conclusively why the Army's recommendation is
19 wrong and should be changed by the action of this
20 Commission.
21 We have a strong tradition in
22 Missouri of supporting the military and being a
23 part of the military installations and
24 enterprises. We certainly want to continue that.

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1 So we do appreciate your consideration.

2 I would like to present, if I may,

3 Mr. Chairman, the Mayor of the City of St. Louis,

4 Mayor Freeman Bosley, Jr. He's an energetic and

5 effective mayor for our City of St. Louis and he

6 leads an impressive bipartisan coalition of

7 business, labor, public officials and members of

8 the public, and I believe that you will be

9 impressed both by him and with the very solid

10 analytical case that we can put before you

11 supporting our case to continue keeping ATCOM in

12 St. Louis. Thank you very much.

13 CHAIRMAN DIXON: Thank you very much,

14 Governor. And the Commission, of course, is

15 delighted to welcome the distinguished Mayor of

16 St. Louis, Mayor Freeman Bosley, Jr.

17 PRESENTATION

18 BY

19 MAYOR BOSLEY:

20 Thank you. Thank you very much,

21 Mr. Chairman. Good morning, Members of the

22 Commission. I like to thank you for the

23 opportunity to address you today. I would also

24 like to thank the Commissioners for undertaking

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1 such a difficult and enormous task. Your service
2 is definitely to be commended.
3 I bring you greetings on behalf of
4 the over 2 million people in the St. Louis,
5 metropolitan area, and I'd also like at this time
6 to recognize over 200 ATCOM employees who have
7 taken vacation time to get on a bus at 4 o'clock
8 in the morning to be with us here in Chicago.
9 (Applause.)
10 I firmly believe that ATCOM should
11 be removed from the closure list. Other members
12 of the St. Louis Defense Taste Force will give a
13 far greater detail on our reasons why, but I just
14 want to share some brief observations with you
15 this morning.
16 I'm sure you know of St. Louis'
17 significant history relative to the aviation
18 industry dating back as far as Mr. Charles
19 Lindberg. That presence is underscored by
20 McDonnell Douglas, a world class leader in the
21 aviation industry, who is headquartered in
22 St. Louis.
23 We have a business base and skilled
24 personnel essential to the industry. ATCOM, in

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1 our view, is efficient because of the support from
2 the local aviation industry. The ability to draw
3 on local expertise is critical to ATCOM's
4 operations. Moving would destroy that
5 relationship.
6 Closing ATCOM would have a
7 devastating impact on a reasonable economy, which
8 contributes almost $2 billion to the St. Louis,
9 Missouri metropolitan region. Not only would
10 closure have a serious financial impact, but the
11 impact on the work force would be tremendous.
12 Ninety-five percent of ATCOM's
13 employees are civilians, and the impact is even
14 more detrimental to employees, which constitute 30
15 percent of the work force, and to women, who
16 constitute 47 percent of the work force. Taken
17 together, minorities and women make up 58 percent
18 of the employee base at ATCOM. Studies have shown
19 most of these employees would not relocate.
20 ATCOM employees are some of the
21 most highly-trained and most well-educated
22 individuals. The opportunity for professional
23 advancement is excellent.
24 The Army is one of the institutions

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1 in this country that has strong -- that has a
2 strong record of improving career opportunities
3 for African Americans and women, especially in
4 urban areas. ATCOM's move would certainly destroy
5 those opportunities.
6 As mayor of a city, there would be
7 a tremendous impact by closure. I urge you to
8 reject the Army's recommendation.
9 As a person whose mother was able
10 to put food on our table and pay our mortgage, she
11 received over 25 years of support from ATCOM.
12 I urge you to consider the positive
13 aspects of remaining in the St. Louis community.
14 As a father who sympathizes with the families
15 impacted by your actions, I urge you to think
16 about the people who are affected by your
17 decision.
18 I'd like to thank you for the
19 opportunity to present ourselves this morning, and
20 at this time like to introduce Mr. Richard
21 Fleming, who's a chairman of the St. Louis Defense
22 Task Force.
23 CHAIRMAN DIXON: Thank you very much
24 Mr. Mayor. We are delighted to have Richard C.

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1 Fleming, the President and CEO of Regional
2 Commerce and Growth Association of St. Louis.
3 PRESENTATION
4 BY
5 MR. FLEMING:
6 Mr. Chairman, thank you, and I'm
7 delighted. I think I'll take advantage of the
8 podium. Thank you, Mayor Bosley, Chairman Dixon,
9 Commissioners. Thank you for providing this
10 opportunity for us to address the Commission on
11 behalf of the employees of the Army's Aviation and
12 Troop Command, ATCOM, the Program Executive
13 Office, and PPO, and the Systems Integration
14 Management Activity, SIMA, as well as the citizens
15 of the greater St. Louis region in tandem with our
16 Illinois colleagues regarding the Illinois Price
17 Center.
18 We appreciate the efforts of your
19 Commission and the difficult task that lies before
20 you. We are confident, however, that your
21 deliberations will be fair and objective, and that
22 is why we are here today.
23 Let me introduce Colonel Philip
24 Hoge, who's joining our delegation and will be

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1 available to respond with the rest of our
2 delegation to any questions you may have.
3 Colonel Hoge is the director of the
4 St. Louis Defense Task Force. He's been retired
5 from the Army since 1985, after 31 years of
6 service. His experience includes troop command,
7 research, development and acquisition assignments
8 and as inspector general of the Army Corp. of
9 Engineers.
10 Also, at the table is an expert
11 witness on the real estate aspects of this
12 proposal, Thomas L. Walker, from the GSA, who I
13 will introduce to you in a few moments.
14 Mr. Chairman, our team intends to
15 prove to you and your fellow Commissioners, beyond
16 a shadow of a doubt, that the Army's
17 recommendation to disassemble ATCOM is
18 fundamentally flawed, that their cost and savings
19 figures are totally unsupportable and that this
20 recommendation should be rejected on its face.
21 We'll begin with a brief overview
22 of the Army's recommendation to your Commission
23 regarding ATCOM, then discuss our analysis of the
24 recommendation. We'll review the negative impact

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1 this recommendation will have on the readiness of
2 the aviation fleet and the devastating impact it
3 will have on the work force.
4 Finally, we will conclude with
5 several alternatives that we believe the
6 Commission should seriously consider in its
7 deliberations.
8 The Army is recommending that ATCOM
9 be disassembled, that the facility be vacated and
10 its various missions and functions be moved to
11 sites indicated.
12 Approximately 150 jobs are
13 proposed to be transferred to Natick, Monmouth and
14 Detroit, with the preponderance of jobs, 2400,
15 being proposed to be relocated to Huntsville
16 associated with ATCOM Aviation functions.
17 This is our conclusion regarding
18 the Army's recommendation. We intend to prove it
19 to you here today. We urge the Commission reject
20 the Army's recommendation for nine specific
21 reasons: (1) military value analysis, which is
22 required by the law, is simply not performed for
23 this command; (2) the Army's recommendation
24 contradicts its own stationing strategy; (3) and

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1 (4) its financial figures are wrong understating
2 costs, overstating savings; (5) its
3 recommendation -- in its recommendation, the Army
4 evaluated ATCOM as if it were housed on
5 privately-owned property, not government-owned
6 property; (6) without question, the Army's
7 recommendation will have a severe negative impact
8 on aviation readiness; (7) it is going to result
9 in the decimation of a highly-trained worked
10 force; (8) in our discussion with the financial
11 data, we'll show you that the Army did not
12 evaluate SIMA or the other government activities
13 that are associated with the St. Louis federal
14 center, and (9) and, finally, there are other
15 alternatives, which would truly achieve
16 significant savings without generating increased
17 cost that we believe should be considered by this
18 Commission before making any final decision.
19 The Base Closure Law clearly states
20 that the Defense Department is to make closure of
21 realignment recommendations on the basis of the
22 four structured plan and final criteria for all
23 installations, including leased facilities.
24 The Defense Department identified,

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1 as you know, eight specific criteria and
2 instructed each service to give priority
3 consideration to the first four for evaluating
4 military value. When it came to ATCOM and SIMA,
5 the military value analysis was simply not done.
6 This chart is from the Army's own
7 management control plan. It describes its
8 analytical process (indicating).
9 As you can see, the military value
10 analysis plans were applied at this phase being
11 pointed to of the deliberations (indicating). It
12 is not until a later phase that leased facilities
13 were even incorporated into the process.
14 As you can see, leased facilities
15 were not considered until well after the military
16 value criteria were applied.
17 Through Congressman Gebhardt, we
18 brought this legal issue to the Commission's
19 attention. Questions were asked of the Army at
20 your March 7, 1995 hearing in Washington, D.C.
21 Here are three excerpts from the written
22 response:
23 First they said a thorough analysis
24 of all leased facilities was performed, then they

1 stated leased facilities, in general, have low
2 military value. Finally, they said the Army's
3 leaders considered the military value of ATCOM in
4 its deliberations. We see no evidence to support
5 that statement.
6 For the Commission's consideration,
7 we offer a sample of four installation charts
8 presented to the Secretary of the Army for his
9 final closure decision.
10 As you can see, each chart has a
11 military value assessment box used for
12 deliberations, except for one, ATCOM. This was
13 the case where all 15 leased facilities that were
14 evaluated by the Army.
15 With that, what are we to conclude
16 about the fair application of military value
17 analysis to ATCOM?
18 The Army's own data and their
19 responses to this Commission leave little doubt
20 that it deviated from the criteria and did not
21 evaluate ATCOM's SIMA military value.
22 In sum, the Army did not treat
23 ATCOM or SIMA fairly and equally as clearly
24 required by the law.

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1 It should be noted here,
2 Mr. Chairman, that the Army was the only service
3 to take this approach. Both the Navy and the Air
4 Force performed military value analysis of each of
5 their leased facilities.
6 Next I'd like to focus on the
7 Army's stationing strategy. The Army's
8 recommendation to relocate ATCOM's functions not
9 only contradicts this strategy but actually
10 decreases efficiency. Redstone Arsenal, where the
11 aviation division is proposed to be relocated,
12 does not currently perform any aviation-related
13 functions, including R and D procurement or
14 logistics activity, and, on the other hand, the
15 Army can better achieve its own stationing
16 strategy in St. Louis, which is a world center for
17 the military and civilian aviation industry.
18 Numerous businesses that supported
19 this industry have located in the 2.5 million
20 population St. Louis metro area and are today
21 providing ATCOM, without standing, products and
22 services.
23 Moving ATCOM's aviation function to
24 Redstone would terminate the efficiency that has

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1 been developed and decimate the economic
2 relationship currently enjoyed between the Army,
3 aviation activities and their suppliers.
4 Beyond Redstone, the Army's
5 recommendation to create the national inventory
6 control point at Natick, Massachusetts, also
7 violates the DOD policy.
8 Continuing with the issue of
9 efficiency, in 1993 the Army reported ATCOM to be
10 one of the most efficient commodity-oriented
11 installations ranking higher than three of the
12 four proposed installations for current
13 relocation.
14 As this chart shows, the facility
15 cost per employee is over six times greater at
16 Redstone and 17 times greater at Natick than it is
17 at ATCOM, 1800 per person at ATCOM, $11,000 in
18 Redstone, $32,000 at Natick. I will come back to
19 this issue a bit later.
20 Criterion one, the military value
21 addressed is of readiness. If history is any
22 indication of future conflicts, aviation is the
23 first asset deployed in time of crises. In the
24 Persian Gulf it was the Army Apache helicopter --

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1 excuse me -- which fired the first shot beginning
2 our offensive operation.
3 ATCOM was instrumental in insuring
4 that aviation assets were properly prepared to
5 perform their wartime mission.
6 We have extensively researched the
7 impact this recommendation would have on aviation
8 readiness. We can report to this Commission today,
9 without hesitation, there will be a severe
10 degradation in operational readiness as a result
11 of this recommendation.
12 As this chart indicates, a drop of
13 20 percent in operational readiness is projected,
14 flight safety response time would increase by a
15 hundred percent, and the time required to
16 replenish spare parts would increase by at least
17 12 months. These figures would be compounded by
18 the loss of the highly-trained St. Louis work
19 force.
20 On the conservative side of this
21 issue, it has been estimated that it would take
22 longer than five years to recover if this
23 recommendation were to be implemented.
24 Can we afford a five-year risk for

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1 those commanders responsible for our national
2 defense?
3 Let me briefly expand on what Mayor
4 Bosley mentioned on the work force. They are well
5 educated, stable work force with deep roots in the
6 St. Louis community; 30 percent are minority, 47
7 percent are women.
8 The area is cost-effective with
9 regard to salaries, and in that ATCOM salaries are
10 99,000 below the average figure even used in the
11 COBRA model; furthermore, the St. Louis Defense
12 Adjustment Project recently completed a study of
13 McDonnell Douglas' reorganization and concluded
14 that more than 50 percent of those affected did
15 not move from St. Louis, even though they had
16 specific jobs at a relocated site. The Army can
17 expect a similar response to the proposed ATCOM
18 move.
19 I present this slide to document
20 the point that the personnel reduction number
21 suggested by the Army will result in a
22 significantly negative impact on readiness, which
23 the army has failed to realize.
24 This chart depicts the Aviation and

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1 Troop Command. Its current strength is 3,268
2 employees, primarily civilian, 2,672 personnel
3 work in these four centers, which is essential to
4 fulfilling the assigned missions of command.
5 The personnel and their mission in
6 the Artic and Wishop (phonetic) Systems have been
7 told they'll be transferred in tact. The other
8 two are waiting notification.
9 There are another 596, as you can
10 see here in the slide (indicating), personnel
11 assigned to the support side of COBRA. The Army
12 states that a total of 1,022 positions will be
13 eliminated when this relocation is effected.
14 So if all 596 support spaces could
15 be eliminated, that would leave 426 spaces that
16 would have to be cut from the very muscle from
17 this organization.
18 It's highly doubtful that the
19 mission requirements could be performed and
20 gaining command without additional full-time
21 highers and/or substantial contracting out to meet
22 that mission.
23 Our conclusion, Mr. Chairman, is no
24 value added from this move; second, implementing

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1 this recommendation is going to decimate a
2 highly-efficient work force, and, finally, with
3 the loss of mission-essential personnel,
4 operational readiness will be negatively impacted.
5 In summary, Mr. Chairman, we
6 believe the Army made its recommendation to move
7 ATCOM and SIMA not on the basis of military value
8 or their own stationing strategy -- excuse me --
9 but solely on the basis of its projected cost and
10 savings analysis, criterion five, which we'll now
11 show you is itself fundamentally flawed
12 (indicating).
13 Let's focus now on the specifics of
14 that criteria, return on investment (indicating).
15 In 1993 the Army in its report to the Base Closure
16 and Realignment Commission stated, and I quote,
17 "The high relocation costs make reassignment of
18 closure of ATCOM impractical and prohibitively
19 expensive." Close quote.
20 Commissioners, I ask you what has
21 changed in the last 24 months to make the moving
22 of ATCOM impracticable or cost-effective? The
23 answer: Nothing. One would think that the Army
24 should have a significant burden of proof to tell

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1 us what has changed.

2 Next, there are the financial

3 figures reported by the Army to the Commission.

4 The Army states that its one-time cost to

5 reallocate the command would be $146 million and

6 another $3.5 million per year to support the move

7 at the gaining (phonetic) higher cost

8 installations. In addition, it claims to save $46

9 million annually and achieve a return on

10 investments in three years.

11 Let's look at the real numbers. It

12 is difficult to understand why in the name of cost

13 savings the Army would make a recommendation that

14 actually increases annual operating costs, but

15 they have.

16 The Army reports that the transfer

17 of ATCOM's functions would actually increase total

18 base operation support costs by $3.5 per year.

19 This increase in cost comes despite the supposed

20 reduction in manpower by 1,022 spaces.

21 Further, in our review of COBRA

22 data, we uncovered four additional critical costs

23 that the Army failed to include.

24 These are construction costs for

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1 relocating SIMA, its automated data processing
2 center estimated to be at least $8.1, another $2.5
3 million to move their ATP equipment, additional
4 construction costs of $21.8 if the Army is to
5 adhere to the March 8, 1995 Army directive to
6 terminate the private leases in Huntsville and
7 move those tenants on to the installation itself,
8 which I will submit, for the record, $10 million
9 to relocate the five orphan tenants, as we refer
10 to them, that remain at the St. Louis center if
11 ATCOM leaves.
12 Aggregating these four unreported
13 costs, the Arm's claim of 146 million of one-time
14 cost is understated by $42 million.
15 This line (indicating) expanded on
16 the point regarding the remaining tenants at the
17 federal center.
18 As GSA will point out in their
19 testimony, once ATCOM moves, the federal center
20 will have to be closed and the remaining tenants
21 relocated. Without question, they will be moved
22 to higher cost privately-owned facilities.
23 Conservatively, this will cost an
24 additional $3 million per year to the U.S.

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1 taxpayer, an expense the Army did not even
2 consider in its calculations.
3 Now concerning savings, the Army
4 based all of its supposed savings figures on the
5 elimination of 1,022 personnel spaces. Those
6 savings are reported to be $47 million per year.
7 In our actual analysis, however, of the COBRA
8 data, we found that the Army's baseline was
9 overstated and not reconciled prior to submission.
10 Based on the four structure plan
11 that ATCOM is presently implementing, we found
12 that they have already reduced dollars by 178
13 personnel since the data calls were made. In
14 addition, they plan to eliminate another 236
15 spaces for a total of 414 by the time the ATCOM
16 recommendation would be implemented.
17 By ignoring this fact in the COBRA,
18 the Army has actually overstated their personnel
19 savings by at least $19 million annually.
20 Operationally, we believe the Army also failed to
21 use a reasonable percentage in the calculation of
22 the number of support overhead personnel that
23 would be transferred.
24 The Army claimed that less than 10

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1 percent would be transferred; however, if a more
2 reasonable common standard of support personnel is
3 used, 287 spaces would in-fact be transferred
4 resulting in another $13 million of overstated
5 savings.
6 Finally, there are 45 personnel
7 spaces that must remain behind to support
8 activities that are unique to the St. Louis
9 region. If ATCOM relocates, these residual area
10 support requirements will continue to exist.
11 The Army also failed to include
12 these in their data, consequently, overstating
13 savings by another $2 million per year.
14 Correcting for these personnel
15 inaccuracies, the ATCOM relocation savings are
16 overstated by a total of $34 million, or a
17 whopping 73 percent.
18 In just a moment you'll hear from
19 Mr. Tom Walker, who's an expert in the area of
20 government leases and who will provide the
21 Commission with specifics regarding the lease
22 cost and savings associated with the ATCOM
23 recommendation.
24 However, allow me just a moment to

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1 note that in its deliberations the Army addressed
2 all these leases as if they were privately-owned
3 property and concluded that it would be
4 operationally sound to relocate from leased space
5 to government-owned facilities.
6 Again, in a brief response, the
7 Army stated that restructuring ATCOM provides a
8 sound opportunity to relocate from leased space to
9 government-owned space.
10 The flaw in this, however, is that
11 this approach fails to look at property in terms
12 of total financial impact on the U.S. taxpayer
13 inspite of the GAO's specific 1993 recommendation
14 to the Congress and the Commission on this very
15 subject in the Battle Creek, Michigan, BRAC
16 decision.
17 The point I want to leave you
18 with here is that ATCOM is located in a
19 government-owned facility. If ATCOM is relocated
20 onto a military installation, the burden on the
21 U.S. taxpayer will be even greater.
22 This chart (indicating) then
23 summarizes the cost and the savings data just
24 addressed. As you can see, if the true figures

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1 were inserted into the COBRA model, the return on
2 investment is extended from the Army's claim of
3 three years to 52 years.
4 In addition, we had a financial
5 analyst run the COBRA model with the correct
6 numbers that I previously noted. From a net
7 present value perspective, net present value
8 changes from a $453 million savings over 20 years
9 to an actual loss of $91 million.
10 In conclusion, this is hardly a
11 justification for the proposed move; however, we
12 recognize that the Army and this Commission
13 legitimately need to reduce costs.
14 In analyzing the Army's
15 recommendation, we have, in fact, discovered
16 several alternatives that would produce greater
17 savings for Army, as well as for the U.S.
18 taxpayer.
19 First, continue the downsizing
20 currently underway at ATCOM. As stated earlier,
21 the work force is already scheduled to be reduced
22 by 414 personnel by 1998. That reduction would
23 generate 48 percent of the anticipated savings
24 without forcing the Army to pay the $180 million

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1 in unnecessary transfer costs.

2 Second, the Army should vacate the

3 expensive privately-owned leased facilities that

4 the bases currently propose to receive ATCOM

5 facilities; third, relocate SIMA with the Young

6 building in downtown St. Louis to the St. Louis

7 Federal Center. That move would significantly

8 lower the lease cost; four, create synergy by

9 moving the aviation R & D function to the

10 St. Louis Federal Center.

11 By the same token, don't destroy

12 the synergy that's taken decades to establish

13 between ATCOM and numerous related businesses

14 located in the St. Louis, Missouri metropolitan

15 area.

16 If the Army wants to consolidate

17 activities and reduce the number of installations

18 in inventory, the entire Natick operation should

19 be moved to the St. Louis Federal Center.

20 As Army data concludes, Natick is

21 one of the least efficient commodity-oriented

22 installations. In the 1993 BRAC data, it was

23 ranked at the bottom of the list, but, at the same

24 time, Natick is the tenth most expensive facility,

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1 as I noted earlier, 17 times more costly than
2 ATCOM, to operate.
3 Commissioners, we are aware that no
4 community wants its base closed and each comes to
5 you questioning some aspect of the validity of the
6 COBRA model in their particular case.
7 We are especially sympathetic to
8 your position. When it comes time for you to
9 render your difficult decisions, however, in the
10 case of ATCOM, the arguments against relocating
11 the facility are overwhelming and we believe are
12 rebuttable.
13 There's not a single argument used
14 by the Army to build their case that holds water.
15 There may be an emotional or personal reason
16 inside the Army leadership for relocating ATCOM,
17 but using the BRAC process to accomplish this end
18 is wrong and it doesn't make a good case.
19 We are completely confident the
20 facts we have presented lead to a single and
21 irrefutable conclusion, namely, the recommendation
22 to relocate ATCOM should be categorically
23 rejected.
24 The real bottom line, the real

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1 bottom line proves that the Army recommendation
2 was made without a fair and equitable application
3 for the law itself. It represents a deviation
4 from the Army's own stationing strategy; most
5 importantly, the actual numbers don't add up,
6 costs are understated by 29 percent, and total
7 savings are overstated by 84 percent thereby
8 pushing the return on investments well out past
9 50 years.
10 Finally, a major consequence to our
11 national defense, Mr. Chairman, this
12 recommendation is going to have a grave impact on
13 the operational readiness of the aviation fleet.
14 It's going to create a huge loss of
15 a highly-trained and skilled work force. As a
16 result of this, Mr. Chairman, we urge this
17 Commission to reject the army's recommendation on
18 its face.
19 Mr. Chairman, this concludes my
20 presentation. At this point I would like to
21 introduce with the remaindering of my time Thomas
22 Walker, Assistant Regional Administrator of the
23 Public Building Services of the GSA.
24 He's a professional engineer

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1 possessing a master's in business administration,
2 with extensive military facilities expertise and
3 performed as deputy director for Facilities
4 Management branch of the U.S. Marine Corp. in
5 Washington, D.C., and the Facilities Maintenance
6 Department in Penacola, Florida, and in the
7 Philippines. He's a graduate of the Industrial
8 College of the Armed Forces.
9 Following his presentation,
10 Governor Carnahan and I will be pleased to respond
11 to any questions you may have, as would
12 Mr. Walker. Thank you, Mr. Chairman.
13 CHAIRMAN DIXON: Mr. Fleming, we thank you
14 for your very excellent presentation, and we are
15 pleased and delighted to welcome Thomas Walker,
16 the Assistant Regional Administrator of GSA.
17 PRESENTATION
18 BY
19 MR. WALKER:
20 Good morning. We appreciate the
21 opportunity to appear before the Base Realignment
22 and Closure Commission. First, let me explain why
23 the General Services Administration is here today.
24 While we work well with the

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1 Congress, the community and the Army, we are here
2 independently as GSA. A career member of the
3 executive service for 22 years in career federal
4 service, I'm here with full knowledge and support
5 of my headquarters.
6 We recognize the Army has a legal
7 right to consolidate if they prove a given move
8 will result in lower cost and more efficient
9 operation; however, we sincerely believe that the
10 facilities cost is not the issue.
11 Together with our staff, we have
12 responsibility for over 14 million square feet in
13 92 government-owned facilities and 300 private
14 sector lease locations in Iowa, Nebraska, Kansas
15 and Missouri.
16 4300 Goodfellow, which houses
17 ATCOM, is a first-class facility. It's been
18 praised by the public and private sector alike.
19 In 1994, this facility won the
20 "Suburban Office Park of the Year" award from the
21 midwest region of the Building Owners and Managers
22 Association. In that class it had to compete
23 head-on with the best of the private sector.
24 A second award is the International

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1 Facilities Management Association Golden Circle
2 Award given to the Heartland Region of GSA in
3 1994. It is only the fourth time since 1985 that
4 honor has been given for excellence in facilities
5 management. We were the first government
6 organization ever to receive the award.
7 We realize there are many issues
8 involved with the proposed move of ATCOM from 4300
9 Goodfellow. We have come here today to talk about
10 what we know and we know well, government
11 facilities.
12 I spent my career with the Naval
13 Facilities Engineer Command, United States Marine
14 Corps, and GSA. I have developed an understanding
15 of the costs and concerns related to government
16 real estate assets. The Army's BRAC report and
17 published communications have framed real estate
18 costs as one of the issues driving the transfer of
19 ATCOM from 4300 Goodfellow.
20 Here's a message we want to convey
21 this afternoon.
22 The numbers in the COBRA model, and
23 additional cost elements not considered, simply do
24 not support this move from a strictly facilities

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1 perspective. In fact, it will cost the government
2 over $140 million in increased facilities expenses
3 over the next 10 years.
4 GSA will focus on our area of
5 expertise. We have isolated all relevant
6 facilities costs in an honest and straightforward
7 way.
8 The rent my agency charges ATCOM
9 for space at 4300 Goodfellow is $9.60 per square
10 foot. Rents in other private and public sector
11 sites in St. Louis range from $9 to $27 per square
12 foot.
13 Obviously, the ATCOM rate is at the
14 low end of the range. It's a bargain. But if
15 defense is paying lower rates at lower locations
16 in either GSA-owned private sector-leased space or
17 army-sector sites, then out $9.60 rate wouldn't be
18 the best option.
19 Defense is renting over a half
20 million square feet from GSA in two private sector
21 buildings just outside the base at Redstone.
22 They're paying $15 per square foot. If the Army
23 has to rent space in private sector buildings in
24 Natick, Massachusetts, the cost would be over $20

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1 per square foot. In 1999 when a private sector
2 lease is renewed, 500,000 square feet of space in
3 Monmouth, New Jersey, will go over for $20 per
4 square foot.
5 On Page 115 of the COBRA report,
6 numbers state that the facilities costs are higher
7 at the proposed relocation site than they are in
8 St. Louis.
9 The report lists facilities costs
10 at the relocation sites at $11 million a year.
11 ATCOM pays $7,600,000 a year at 4300 Goodfellow.
12 That is a net increase of $3.4 million a year.
13 I will pause to clarify two points
14 raised regarding these numbers. First, ATCOM's
15 annual rent is $10 million. The $7.6 million
16 figure is arrived at by deducting 120,000 square
17 feet for the Defense Mega Center and 120,000 feet
18 for DFAS, neither of which would accompany them to
19 Redstone. $7.6 million reflects the rent which
20 would be exclusive to the move.
21 Second, the $11 million figure for
22 facilities at the relocation site includes RPMA
23 and BOS costs. I'm not certain it includes full
24 repairs related to the BMAR as I do not have

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1 access to that information; however, GSA rent does
2 include those expenses.
3 The net increase of $3.4 million a
4 year drives the 10 year total up by $34 million.
5 These figures are straight from the COBRA report.
6 On top of that, the COBRA report proposes spending
7 $58,000,000 on MILCON at Redstone.
8 In addition, those costs are even
9 higher than they appear. You have to take into
10 account that the St. Louis ATCOM annual facility
11 cost is housing 1066 more people than Huntsville
12 and doing it at 70 percent of the cost. Adjusting
13 for the change in personnel and higher cost, the
14 annual facility cost per person is $1,850 per
15 person at Goodfellow and $3,594 per person at the
16 main relocation site.
17 There is a major cost element left
18 out of the COBRA model. The cost for SIMA
19 facilities was left off both sides of the
20 equation. There were no savings listed for rent
21 they are paying in St. Louis and no costs listed
22 for facilities at the relocation site. SIMA is
23 paying GSA $3 million per year for 148,000 square
24 feet in the Robert A. Young building in downtown

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1 St. Louis. This would be the savings that they
2 would -- if they were relocated.
3 There are two alternatives to SIMA
4 at the relocation site. One is to construct a new
5 facility to house their administrative offices and
6 high technology computer center. GSA has
7 performed an engineering study based on SIMA's
8 current requirements. The price tax for MILCON at
9 Redstone for a SIMA requirement is estimated to be
10 $36 million. This amount does not include
11 maintenance and operation expenses.
12 The second alternative would
13 require a private sector lease location. Based on
14 SIMA's current mix of space, GSA estimates that
15 the composite rent rate would be $29 per square
16 foot in Huntsville. In St. Louis GSA is charging
17 SIMA $19.95. Even at these rates, the private
18 sector lease would likely be the most
19 cost-effective alternative. Our totals will assume
20 selection of this alternative.
21 The Clinton Administration and the
22 Congress have directed that all federal agencies
23 strive to define ways to secure the lowest costs
24 on behalf of the taxpayers. That challenge

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1 requires us to investigate both the private sector
2 and other federal agencies for services where they
3 are most cost-effective. GSA has provided quality
4 product at the lowest cost available. It is not
5 necessarily a bargain for the Army to own their
6 own space.
7 Some would say the solution would
8 be to turn 4300 Goodfellow over to the Army. We
9 have had discussions exploring such an action .
10 Three reasons make it impractical.
11 First, because of GSA's revolving
12 accounts, the Army would have to transfer over $30
13 million to assume ownership of the complex.
14 Second, there are other non-Defense
15 tenants located at the facility. Traditionally,
16 the Army's facilities structure and mission do not
17 easily support other tenants.
18 And, finally, GSA has provided a
19 more cost-effective facilities program at
20 Goodfellow than any other Army for GSA location of
21 which I am aware. Their costs could actually
22 increase if they were to assume ownership. We do
23 not believe we would be doing Defense or the
24 taxpayers any favors by transferring ownership.

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1 There is a continuing misconception
2 which needs to be addressed. The reference to
3 lease cost at 4300 Goodfellow is simply
4 incorrect. This lease terminology is misleading
5 and inaccurate. This is not a leased facility. I
6 repeat. This is not a leased facility. This is a
7 government-owned complex. In terms of taxpayer
8 interest, there are no differences between a GSA
9 asset and a DOD asset.
10 The 1993 BRAC Commission previously
11 addressed this issue in the Defense Logistics
12 Agency case in Battle Creek, Michigan. They
13 concluded that the costs to GSA and all government
14 assets should be included for the true impact to
15 be accurately assessed.
16 In the case of Battle Creek, this
17 further analysis supported retention of that
18 facility. We believe 4300 Goodfellow is exactly
19 the same situation.
20 To really understand the physical
21 implications of an ATCOM relocation, I would like
22 you to see our exhibit of Goodfellow Center. This
23 is a government complex comprised of six major
24 buildings providing 1.4 million square feet of

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1 rentable space (indicating). ATCOM, represented
2 in red, is the anchor tenant. They encompass
3 nearly 80 percent of available space. Their
4 departure would devastate the financial viability
5 of the entire complex. The facility would cost
6 more to operate than it brings in. While we could
7 mitigate some of the operating expense, we cannot
8 completely offset the deficit.
9 Our second alternative is back fill
10 the vacant space with other tenants. As you can
11 see, massive vacancy presents a tall order. At
12 this time we don't see a viable large scale tenant
13 capable of reversing the revenue versus expense
14 equation. Our asset managers would be left with
15 the common sense decision to move the remaining
16 tenants and dispose of the complex. This impact
17 was ignored by the COBRA report reports.
18 We estimate it would cost the
19 taxpayers a one-time expense of $10 million to
20 relocate and prepare space for the five remaining
21 Goodfellow tenants. We would like to remind the
22 BRAC Commission that two of those five tenants are
23 Defense entities with very expensive and very
24 specialized space requirements.

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1 The rent value provided to the five
2 remaining tenants is made possible by the
3 economies of scale at the complex. The $9 per
4 square foot bargain could not be duplicated again
5 by the smaller requirements. Our analysis
6 indicates the rent for Goodfellow orphans would
7 increase by $3 million per year.
8 Over the last 10 years, the
9 government has invested nearly $150 million to
10 modernize and mechanize this facility. The
11 buildings and the site were custom fitted to
12 ATCOM's evolving missions. As I indicated the low
13 rental rate does not indicate a cut-rate facility.
14 We know that flexibility is
15 critical to the mission of our defense clients.
16 4300 Goodfellow and the associated area allows
17 unique flexibility to an anchor tenant.
18 The six buildings and an additional
19 300 square feet of defense property at 4800
20 Goodfellow can be configured for any changes to
21 ATCOM's requirements. The property at 4800
22 Goodfellow could be retrofitted and rented to the
23 military at the same $9.60 rate they are paying
24 here.

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1 In addition, GSA provided space, an
2 agency has 120-day cancellation rights. This is a
3 major advantage in decreasing staffing
4 environments. A tenant simply notifies GSA of the
5 scope of their space reduction and after 120 days
6 the cost of the space becomes GSA's
7 responsibility. No such opportunity exists if the
8 DOD were to own their own buildings or rent from
9 the private sector.
10 Because of these and other
11 considerations, 4300 Goodfellow offers value,
12 quality and flexibility.
13 I want to outline the facilities
14 costs over a 10-year window. The COBRA report
15 indicates a $3.4 million increase in annual
16 facility costs for ATCOM at the proposed sites.
17 That's 34 million over ten years.
18 Next, GSA estimates the one-time
19 move alteration costs for the remaining tenants at
20 $10 million. GSA estimates remaining tenants will
21 face aggregate rent increases of 3 million per
22 year. That is $30 million over 10 years.
23 The ultimate result of the ATCOM
24 move would be to abandon an award winning federal

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1 complex only the build a brand new one for $58
2 million.
3 The SIMA move would result in a net
4 facilities increase of $1.3 million a year at the
5 relocation site. That would be $13 million over
6 ten years.
7 If you add those numbers, you are
8 left with the true 10-year impact of the ATCOM
9 move from a facilities perspective. If this is
10 about real estate, numbers clearly indicate that
11 it's a greater taxpayer value for defense to
12 remain in St. Louis.
13 From a strictly facilities
14 perspective, the relocation of SIMA and ATCOM will
15 cost $148 million over a ten year period. This,
16 of course, is a higher number than that presented
17 to Commissioners Dixon and Kling in St. Louis on
18 April 1st. The additional cost reflects the
19 inclusion of SIMA in our analysis.
20 4300 Goodfellow is truly a
21 government asset. The cost to operate and
22 maintain this facility is a real bargain for
23 ATCOM, as is SIMA space in the Robert A. Young
24 building.

1 We realize the Army may disagree
2 with our figures. My staff and I have honestly
3 tried to isolate the realistic facilities cost as
4 best we can. Luckily, this Commission will have
5 the opportunity to verify data from all concerned
6 parties. We are confident our calculations will
7 stand the scrutiny of this review.
8 We thank you for your time and
9 consideration.
10 CHAIRMAN DIXON: Well, we thank you very much
11 for that very fine presentation, Mr. Walker, and
12 on behalf of Commissioner Kling and myself who
13 spent a Saturday afternoon with all of you in
14 St. Louis.
15 We thank you all for what, in
16 effect, has been two very fine presentations.
17 Now we have some time for a Q and
18 A. As I indicated earlier to the Illinois group,
19 there very rarely are any questions from the
20 Commissioners, because we all do the visitations,
21 but I think General Robles may have some
22 questions, and I want to recognize the
23 distinguished Commissioner, General Robles.
24 COMMISSIONER ROBLES: Thank you, Mr. Chairman.

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1 My question is directed to you, Governor
2 Carnahan. You may have these numbers at your
3 fingertips.
4 As you know, one of the central
5 issues in relocating the chemical defense training
6 facility at Fort Leonard Wood are a lot has been
7 said and written and speculated. You told us that
8 two permits had been granted recently --
9 GOVERNOR CARNAHAN: That's correct.
10 COMMISSIONER ROBLES: -- and one was just
11 recently released.
12 Could you just further clarify,
13 first of all, are those the only three permits
14 required to move that facility and operate that
15 facility at Fort Leonard Wood and, secondly, what
16 kind of permits? Are these construction permits?
17 Operations permits? Are they about water or
18 sewer, so that, for the record, we know exactly
19 and get this permit issue on the table so there's
20 no more speculation about whether the permits will
21 or will not be granted and whether the permits can
22 be accomplished in time to move the facility?
23 GOVERNOR CARNAHAN: I like to be permitted to
24 call the director of our Department of Natural

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1 Resources. You may wish to swear him if that's
2 part of your procedure. I think he could be much
3 more precise than I.
4 (Witness sworn.)
5 COMMISSIONER ROBLES: And, sir, would you
6 state your name and address.
7 DIRECTOR SHORR: My name is David Shorr. I'm
8 Director of the Department of Natural Resources.
9 My address is 200 Jefferson Street, Jefferson,
10 Missouri.
11 COMMISSIONER ROBLES: Thank you.
12 DIRECTOR SHORR: To answer your question,
13 Mr. Commissioner, three permits are required by
14 the City of Missouri: A permit for air
15 construction for the CDTF, which is the Chemical
16 Decontamination Training Facility; a water permit
17 for the base, and a permit for the smoke school,
18 which is going -- which was issued as a PSD permit
19 application to significantly deteriorate the air
20 around the area of Fort Leonard Wood. So there's
21 three permits required a hazardous waste permit is
22 required for the thirty-fourth thousand time.
23 Okay. Any other questions?
24 CHAIRMAN DIXON: I thank the general for

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1 pursuing this.

2 You are all on notice, and

3 incidentally, we do not prejudge what we will do

4 with respect to this conflict between the states

5 and Missouri. That's still a question for us to

6 resolve at some future date, but we put you on

7 notice that the State of Alabama has suggested

8 that we'll not be able to be permitted adequate

9 time.

10 Our counsel is Madelyn Ceden

11 (phonetic). As you know, I'll put all of you on

12 notice, put you all on notice that we would be

13 reluctant to act should it come down to a decision

14 that in your favor if we were of the opinion that

15 had not been adequately permitted. You are aware

16 of that?

17 GOVERNOR CARNAHAN: Yes, we are.

18 CHAIRMAN DIXON: There's another question I

19 believe from Commissioner Wendi Steele. Have we

20 concluded with the distinguished cabinet member?

21 (No verbal response.)

22 Commissioner Kling?

23 COMMISSIONER KLING: You stated -- I just

24 want to understand. You are saying that the

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1 permits will be, one, it will be for the
2 construction and, two, for the operation or do we
3 have to get something different?
4 DIRECTOR SHORR: In Missouri, under Missouri
5 Law, a permit to construct under current law is
6 all that's required under the CDTF. That permit
7 was issued yesterday.
8 COMMISSIONER KLING: Will allow after
9 construction that will allow the operation?
10 DIRECTOR SHORR: Correct.
11 COMMISSIONER KLING: I do want to again
12 suggest Madelyn Ceden is now working in the back
13 of the room. She was elsewhere on business for
14 the Commission, but you do know that counsel for
15 the Commission it's very imperative that we have a
16 legal opinion from her? And we do not prejudge
17 this. I'm anxious to make that clear. It's only
18 imperative with respect to a training question in
19 the northern tier and your permit question that
20 the procedural matters be adequately addressed.
21 DIRECTOR SHORR: Chairman Dixon, my job is
22 protecting the environment of the State of
23 Missouri. My job is not to issue permits. If
24 there was a facility that could not do what

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they're required to do, I have done my job, period.

CHAIRMAN DIXON: I hope you haven't taken the opinion I suggested that you didn't. Thank you very much, sir. I don't want to get in trouble here.

(Laughter.)

Commissioner Cornella?

COMMISSIONER CORNELLA: I have a question. I understand there may be some dispute over whether or not some masks constitute hazardous waste. Maybe you could help us there with this.

DIRECTOR SHORR: Be glad to.

COMMISSIONER CORNELLA: If that's the case, determine that they do, would the waste permit then be required?

DIRECTOR SHORR: Based upon the materials that we have received from the Department of Defense, the current mask that is being used, which contains achromic acid component, which would create a chromium discharge from the incinerator would be a hazardous waste.

Under the procedures that they have followed under pollution prevention they have

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1 discontinued use of that mask filter. The
2 military should be commended for it. All that
3 means shouldn't be a last hazardous waste
4 discharge.
5 CHAIRMAN DIXON: I thank you very much.
6 Mr. Walker, would you be kind enough to yield the
7 question from Commissioner Steele.
8 COMMISSIONER STEELE: Sir, I'm not sure if
9 this will end up being common sense or a legal
10 question at the end of it.
11 When you were talking about the
12 lowest cost to the taxpayers -- I want to pursue
13 that a little bit -- is it possible for a GSA out
14 of the Federal Property Act to access that
15 facility, allow the Department of Defense to take
16 over that facility, as the department is doing
17 with other facilities to other agencies, and, if
18 so, if that is possible, getting rid of less or
19 non-less number, depending upon how you look at
20 that word? Where does that $30 million cost come
21 in to the Army if they should take over that
22 facility?
23 MR. WALKER: There's two possibilities in the
24 Army operating the facility -- three ways of

1 operating the facility: One is GSA to operate it
2 and charge what we call "rent," in this case is
3 being used I guess against us.
4 The second would be for us to
5 delegate the facility to the Department of
6 Defense.
7 We discussed that previously with
8 ATCOM for years and they weren't interested. In
9 fact, they were talking to us about operating
10 price support prior to just getting on the BRAC
11 list. We thought we could operate it more
12 efficiently than they could.
13 The last -- the last issue is to
14 transfer the property in total to the Department
15 of Defense, and the way the procedure works at
16 present is they would have to pay us the value of
17 the property because the cost of the way the
18 Property Act works and the price is somewhere
19 between 30, $40 million.
20 COMMISSIONER STEELE: Again, just sort of a
21 common sense question, and may end up with a legal
22 answer, if the department can access property at
23 other federal agencies below cost or at, in some
24 cases, zero, would it not be logical at the end of

1 the COBRA model to work out financial fees, and
2 all of that good stuff? Would it make sense to
3 not allow the department to also receive
4 property?
5 MR. WALKER: Not in this particular case
6 because there are other defense entities in this
7 complex. This is not a strictly defense complex.
8 The Department of Agriculture's there, Department
9 of Veteran Affairs, there's the Social Security
10 Administration in this particular complex, other
11 than the Department of Defense.
12 COMMISSIONER STEELE: I suppose the same
13 argument could apply to those other agencies as
14 well though?
15 MR. WALKER: That's transferred to them.
16 COMMISSIONER STEELE: That Veterans Affairs
17 could receive that property at no cost as the
18 department does?
19 MR. WALKER: The Office of Management and
20 Budget is taking a long-standing position if one
21 federal agency transfers property to another
22 federal agency that the federal agency receiving
23 the property pay the fair market value for the
24 property. That's the answer to your question.

1 Office of Management and Budget has
2 a right in this particular case to supercede that,
3 as does the United States Congress, if they so
4 desire. That's the way the procedure works.
5 COMMISSIONER STEELE: So it's lowers the cost
6 to the taxpayer, except as it affects that
7 situation?
8 MR. WALKER: We don't think it lowers the
9 cost to the taxpayer for the military to operate
10 it. We are operating it, basically cost $9.60 a
11 square foot.
12 I spent 16 years with the
13 military. They can't operate the facility still
14 any cheaper than we can.
15 COMMISSIONER STEELE: Okay. Thank you very
16 much.
17 CHAIRMAN DIXON: I thank my distinguished
18 colleague. Thank you, Commissioner Steele.
19 That concludes the Missouri
20 testimony. We appreciate very much your excellent
21 presentation. I've been advised by counsel that,
22 in fact, no federal permits are required and that
23 Missouri has full authority, and so when Missouri
24 has fully satisfied counsel, and we have that in

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1 writing from counsel, we'll then be free to make a
2 judgment call. We thank you all.
3 Now, Ladies and Gentlemen, we are
4 now ready to begin a period set aside for public
5 comment. Our intention is to try to insure that
6 all opinions on the recommendations of the
7 secretary affecting these states are heard.
8 We have assigned them 30 minutes
9 for this period. We ask persons wishing to speak
10 to sign up before the hearing began and they have
11 done so by now.
12 We have also asked them to limit
13 their comments to two minutes, and we'll ring a
14 bell at the end of that time. Please stop when
15 your two minutes are up. Written testimony of any
16 length is welcome by the Commission at any time in
17 this process.
18 If all those signed up to speak
19 would raise your right hands, I will now
20 administer the oath. There should be Mayor John
21 Bellcoff, Welsow Hagnauer, Melvin C. Wilmsmeyer,
22 Franz Kraintz, Jerry Holt, Steve Haring, Ken
23 Valant, and you are all here.
24 Would you all raise your right

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1 hands.

2 (Witnesses sworn.)

3 Mayor John Bellcoff?

4 PRESENTATION

5 BY

6 MAYOR BELLCOFF:

7 Good morning. My name is John

8 Bellcoff and I'm the Mayor of the City of

9 Madison. Thank you for the opportunity to address

10 the Commission on a recommendation to close the

11 Melvin Price Support Center.

12 The Department of Defense's

13 recommendation to close the housing located at the

14 Melvin Price Support Center doesn't make sense. It

15 doesn't make sense in terms of dollars and it

16 doesn't make sense in terms of military families.

17 The recommendation is based on the

18 Price Support Center's relationship with ATCOM. .

19 Eight-three percent of the housing is not occupied

20 by ATCOM, furthermore, there's a waiting list for

21 housing at Price that would remain even if all

22 ATCOM personnel were removed from the list.

23 According to the secretary of

24 defense, housing is critical to maintaining the

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1 readiness of the military. It is also a key factor
2 in recruitment and retention efforts.
3 I hope you will retain the military
4 housing at Price. Thank you.
5 CHAIRMAN DIXON: Well, we thank the
6 distinguished mayor of Madison for his fine
7 remarks.
8 Welsow Hagnauer, the distinguished
9 chairman of the County Board of Madison County.
10 PRESENTATION
11 BY
12 CHAIRMAN HAGNAUER:
13 Thank you, Mr. Chairman. I want to
14 thank you for the opportunity to appear before
15 your Commission, and I have a short statement I'd
16 like to read.
17 I like the Commission to note that
18 the people of Madison County do not want the Price
19 Center closed. General Griffith has described why
20 the Department of Defense's recommendation was
21 flawed. I want to explain to you what the economic
22 impact of closing the Price Center would be on the
23 families that depend on that center.
24 In Madison County, we have more

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1 than 31,000 veterans. Many of those veterans are
2 retired with fixed incomes and dependent upon the
3 commissary and base exchange for food and
4 clothing.
5 The Price Center is cited for
6 11,000 reservists, all of whom live in our local
7 communities. In light of increasing dependence on
8 reservists by the military, they deserve our
9 continued support..
10 In the interest of the veterans who
11 served and the reservists who continue to serve, I
12 ask that you give them the support that they
13 deserve. Keep the Price Center open.
14 Thank you, Mr. Chairman.
15 CHAIRMAN DIXON: I thank the distinguished
16 chairman of the Madison County Board.
17 Melvin C. Wilmsmeyer?
18 Mr. Wilmsmeyer, we are delighted to have you here.
19 PRESENTATION
20 BY
21 MR. WILMSMEYER:
22 Thank you. Appreciate the
23 opportunity to speak to this Commission.
24 My name is Melvin Wilmsmeyer and

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1 I'm commissioner with the Tri-City Regional Port
2 District in Granite City, independent, Illinois.
3 We are located next to the Melvin Price Support
4 Center. Thank you for the opportunity.
5 The location of the Price Center is
6 unique in the U.S. I know of no military
7 installation with access to air, water, ground,
8 pipeline and rail transportation centrally located
9 in America.
10 We truly are at America's
11 crossroads, located just a few miles from the
12 gateway to the west St. Louis. The strategic
13 location and infrastructure of the port has been
14 recognized by our clients, ADM, National Steel and
15 others, who need products efficiently and
16 economically transported via the Missouri River
17 and ground and rail transportation, use our
18 service.
19 As a commissioner, with a major
20 inland port, I must emphasize that this location
21 is one of the best in the nation. Our customers
22 have some of the most successful businesses in the
23 world. They recognize the significance of this
24 strategic location.

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1 I hope that this Commission will
2 recognize its importance to the defense of our
3 nation. Thank you.
4 CHAIRMAN DIXON: Thank you, Mr. Wilmsmeyer.
5 Mr. Franz Kraintz?
6 MR. KRAINTZ: Thank you.
7 CHAIRMAN DIXON: Good morning.
8 PRESENTATION
9 BY
10 MR. KRAINTZ:
11 Good morning. Thank you,
12 Mr. Chairman and Commissioners. My name is Franz
13 Kraintz, Director of Economic Development with the
14 City of Granite City.
15 On behalf of Mayor Ronald Self and
16 citizens of Granite City, I appreciate the
17 opportunity to discuss the economic impact the
18 closure of the Charles Melvin Price Support Center
19 will cause in the surrounding communities.
20 Charles Melvin Price Support Center
21 recommended for closure is adjacent to and partly
22 within the City of Granite City.
23 Granite City is categorized as an
24 older industrial-based community of approximately

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1 33,000 persons. Over the last several decade, the
2 city lost 25 percent of its population, and median
3 family income is now lower than county, state and
4 national levels.
5 It's estimated that ATCOM and the
6 Price Support Center employs 300 residents in the
7 Granite City area. The Price Support Center itself
8 has an annual payroll of $4 million and bids $35
9 million in local procurement contracts. The
10 incomes and salaries purchase homes, cars and
11 other goods and services helping support the
12 business community throughout Granite City and the
13 surrounding area. The city itself stands to lose
14 substantial profits and sales tax revenues.
15 In sum, a whole economy with the
16 loss of the Support Center, an economic impact
17 will reverberate throughout the community. Once
18 closed, let's not forget the base's outstanding
19 attributes, central location, transportation,
20 infrastructure, and the natural resources that
21 draw from it will be difficult to replace once
22 surrendered.
23 The Support Center has served its
24 country well within the past 50 years and can

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1 serve tomorrow's military in terms of readiness,
2 flexibility and capability.
3 The BRAC Commission will see to it
4 that it remains open and continue to be a vital
5 mission of the Army.
6 On behalf of the mayor, who could
7 not be here today, I'd like to submit his written
8 testimony for the record, if it pleases the
9 Chairman, and I like to thank you for your
10 attention.
11 CHAIRMAN DIXON: Thank you very much,
12 Mr. Kraintz, and the mayor's comments will be
13 reproduced in the record and given to the folks on
14 the stand.
15 Mr. Jerry Holt?
16 PRESENTATION
17 BY
18 MR. HOLT:
19 Thank you, sir. I'm a member of
20 the staff or the Committee to Save Savanna and
21 SADA/USDACS Task Force, and recently I retired.
22 As such, I like to -- I reviewed
23 the COBRA data and the study provided to the BRAC,
24 but cost is not included in COBRA for relocating

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1 ammunition assets from the three depots scheduled
2 to close, which is approximately 450,000 short
3 turns, has been ignored it appears to be.
4 In past experience from Pueblo
5 (phonetic), Wingate and Navaho appears to be
6 seriously underestimated, which results in other
7 operations of monies from the IOC being spent to
8 accomplish the closure.
9 I would like to encourage the BRAC
10 Committee to challenge these costs, which could be
11 verified by reviewing closure costs for those
12 installations.
13 CHAIRMAN DIXON: Thank you very much,
14 Mr. Holt.
15 Mr. Steve Haring?
16 PRESENTATION
17 BY
18 MR. HARING:
19 Good morning. I'm Steve Haring,
20 the president of the Savanna Chamber of Commerce.
21 The chamber of commerce has stood side by side and
22 has played an active role with the local Save the
23 Depot Committee from Savanna.
24 We urge the BRAC Commissioners and

1 staff to thoroughly consider all the information
2 stated today, as well as our written report.
3 When you read our report, the
4 committee addressed several errors in the COBRA
5 fact-findings, such as our figures show potential
6 costs of 185 million to move ammunition,
7 potentially 57 million in construction costs to
8 move just the use of a particular operation,
9 potentially 14 million in housing costs that would
10 have to be absorbed when moving employees. It's a
11 potential 400 million total cost avoidance would
12 be realized if the Savanna Army Depot/USDACS
13 remains in tact at Savanna.
14 If the Army depot could and would
15 be properly funded and moved to a Tier 2 base
16 status, we believe that the Department of Defense
17 and other government agencies would be shown that
18 it could be more cost-effective and operating more
19 efficiently.
20 The Savanna Depot and USDACS has
21 the people, the technology, the will, and the area
22 community support, and we thank you for the
23 opportunity to present our case here today.
24 CHAIRMAN DIXON: Well, we thank you very much.

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1 Senator Ken Valant?

2 MR. VALANT: Senator and Gentlemen and

3 Ladies, I appreciate the honorarium. I'm not a

4 senator. My name is Ken Valant.

5 CHAIRMAN DIXON: Well, I don't know why we

6 gave you that title.

7 (Laughter.)

8 MR. VALANT: I certainly appreciate it.

9 CHAIRMAN DIXON: I'll tell you one thing. I

10 was one and it doesn't make you any different kind

11 of a person. I'm delighted to have you here.

12 Ken, we want to make your testimony, and don't

13 start the timer. I don't want him to have to pay

14 for my speech.

15 Start over, Mr. Valant.

16 PRESENTATION

17 BY

18 MR. VALANT:

19 Thank you, sir. I have a very

20 brief statement to make.

21 I'm a resident of Iowa and I'm a

22 member of an elderly group that put the ammunition

23 information together as it appears in your report.

24 You heard our Ms. Stott address the

1 economic impact speaking to two counties in
2 Illinois. I point out to you that there is a
3 supplemental and sympathetic impact economically
4 across the river into Iowa. We haven't been able
5 to put the numbers together. We expect to put
6 them on to you as soon as we can.
7 We anticipate working with the
8 University of Northern Illinois so that our
9 information will be in alignment with the
10 methodology they use. We expect to do this very
11 soon.
12 And I also want to say that we
13 particularly appreciate the participation we have
14 received from the offices of Senator Grassley, our
15 representative Jim Leach -- one of two counties
16 particularly impacted on the Iowa side, together
17 with Congressman Jim Nissen. Those people have
18 expressed a very cordial welcoming for our
19 efforts. Thank you very much.
20 CHAIRMAN DIXON: Well, I thank you,
21 Mr. Valant, and you folks have used up a little
22 less than your time, and we thank you for that.
23 The folks from ATCOM had asked for
24 15 at one minute each. I understand they want two

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1 more. We would grant an additional minute each
2 for the other two for a total of 17 at one minute
3 each, and if they would all come up here and just
4 begin in order and the timer will allow each one
5 one minute. There will be 17.
6 May I say to the timer, and let's
7 wait until all the distinguished ladies and
8 gentlemen advocating ATCOM's retention all get up
9 here, because I think from a time standpoint it
10 will help us to keep within the framework of what
11 we have available.
12 Are you all up here in front now,
13 Ladies and Gentlemen? Please go in whatever order
14 you would prefer. I'm sorry I don't have a list.
15 Is there a list for the Chair?
16 (Document tendered.)
17 All right. Then if I may, go ahead
18 Mr. -- Excuse me. Would you all raise your right
19 hands. I keep forgetting about this. Where's
20 my -- here it is. Would you all raise your right
21 hands.
22 (Witnesses sworn.)
23 Thank you.
24 Mr. Carl Bearden?

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1 PRESENTATION
2 BY
3 MR. BEARDEN:
4 Thank you, Mr. Chairman, Members of
5 the Commission. I'm Carl Bearden. I'm chairman
6 of the St. Charles County Council. As a member of
7 local government, I question how the federal
8 government can count the ATCOM move as a real
9 count.
10 ATCOM does operate in a government
11 owned-facility, but we are operating a building
12 that we are leasing from a private developer,
13 who's moving to an existing federal facility, but
14 it's not the case with ATCOM. In fact, the move
15 is going to cost the taxpayer money.
16 I know local government can't play
17 that kind of shell game and get away with it and I
18 do think the federal government can't either. We
19 all want to eliminate waste, but they can't be
20 fooled by false accounting tricks any longer. We
21 are really in cost savings. They're not really
22 saving. If this move is any example of the cuts
23 we can expect from Washington, we are all in
24 trouble. I urge you to remove ATCOM from the base

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closure list.

CHAIRMAN DIXON: Thank you, Mr. Bearden.

Betty Thompson?

PRESENTATION

BY

MS. THOMPSON:

Good afternoon. My name is Betty Thompson representing the St. Louis County Executive, the Honorable John Buz Westfall.

ATCOM, like several other military installations in St. Louis, depends heavily on the highly-skilled civic employees. We would like to keep them in St. Louis where they can be of highest use to national defense, and St. Louis is regional.

Let's just briefly talk about the minority work force, where its roots come from, ATCOM with 30 percent minority, 47 percent women, with a work force with high salaries from minority workers that live in St. Louis County, with stable families, productivity still good, family values and helping to keep neighbors safe and better for all of us to live and work.

Why would they want to close the

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center? We ask people to pull themselves up by their bootstraps, and now we are taking their boots away. It's just not fair. Thank you.

CHAIRMAN DIXON: Thank you, Ms. Thompson, and may the record show that your distinguished County Executive, Buz Westfall, has met with us, and presented his case to us, and Mayor Freeman Bosley's office at great length and we are indebted to you as well.

George Atchison?

PRESENTATION

BY

MR. ATCHISON:

Mr. Chairman, Commissioners, good afternoon. My name is George Atchison and I'm here as a concerned Missourian. I am delighted with the possibility of the jobs of economic development that may be transferred to us from Fort McCall, however, I come to express some concerns and information that I believe would be of value to you.

I have been told that the previous commission had told the army that they would need the necessary permits prior to the move and the

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1 permit thing seems to have become discussed here I
2 think sometime, depending upon who you are talking
3 to, but I may have some reservations as to whether
4 the permits are all in tact or not.
5 The only thing I can say about that
6 with the permit -- process of obtaining permits
7 has been somewhat questionable at best. The
8 Endangered Species Act, Section 7, requires the
9 Army to consult with the U.S. Fish and Wild Life
10 Service, and if any species would be in jeopardy
11 to-date, the Army has done nothing to address the
12 impact of endangered --
13 CHAIRMAN DIXON: I'm sorry, sir. Your time is
14 up.
15 MR. ATCHISON: I wasn't with ATCOM. I thought
16 you were going to allow me two minutes.
17 CHAIRMAN DIXON: No, sir. Place your
18 statement in the record. Thank you very much.
19 Mr. Jim Cunningham.
20 PRESENTATION
21 BY
22 MR. CUNNINGHAM:
23 Always have trouble. Senator and
24 distinguished Commissioners, my name is Jim

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1 Cunningham. I'm president of the National
2 Federation of Federal Employees, Local 405, ATCOM.
3 After having been given stacks of
4 charts, documentation, figures and proposals, it
5 becomes increasingly hard to present you with
6 something that you haven't heard or have not been
7 made aware of.
8 For this reason, I'll use the short
9 time allotted to me to try to impress upon you to
10 the criticality of the close scrutiny and
11 examination of information which you have been
12 provided.
13 I know you have already realized
14 the value and significance of ATCOM, an
15 organization which has no equal throughout all of
16 DOD, and we have supplied you with the means of
17 methodology and support to preserve the agency of
18 excellence.
19 Take the time, go the extra mile,
20 make that extra telephone call and the effort will
21 surely pay maximum dividends and the realization
22 of mission readiness for the 21st Century army
23 ATCOM in tradition, responsive, fast moving, hard
24 hitting and, most importantly, we're ready. Thank

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1 you.

2 CHAIRMAN DIXON: Thank you, Mr. Cunningham.

3 (Applause.)

4 Mr. John Morris?

5 PRESENTATION

6 BY

7 MR. MORRIS:

8 Good afternoon. I'm John Morris.

9 I'm union president for SIMA. SIMA is the army's

10 logistics inter-system building. We build

11 software that runs the whole army logistics

12 system, has about 9.3 million lines. It's very

13 technical. We are a small group, about 348

14 people, of those people. We have a grade average

15 of 11.2. We have an education base of 128 degrees

16 and over 10 percent of us have advanced degrees.

17 As you can see, to run the Army's logistic system

18 through computers takes a lot of technology and a

19 lot of knowhow.

20 Additionally, we must know all the

21 disciplines in the Army. We must know the

22 readiness part of logistics as far as procurement,

23 finance, supply, all of them.

24 I just want to say SIMA is command

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1 and control. We are a readiness organization. We
2 are not overhead. We apply ourselves directly to
3 the army's logistics mission.
4 I think of us as the old George
5 Foreman. We are an old group. We are beat up.
6 We are always hungry, but we are still standing
7 and we are world champion.
8 CHAIRMAN DIXON: Mr. Larry Belgeri?
9 PRESENTATION
10 BY
11 MR. BELGERI:
12 Good afternoon. I'm Larry Belgeri,
13 Budget Analyst at ATCOM.
14 I, too, have reviewed the COBRA
15 data and I'm comfortable the numbers for the
16 closing of ATCOM, whether they're labeled
17 personnel savings of lease savings, will not stand
18 to your critical review as they failed to do in
19 1991 and again in 1993. What was prohibitively
20 expensive then is prohibitively expensive now.
21 Beyond the numbers, closing ATCOM
22 will reduce readiness to an unacceptable level by
23 virtually widening out the Army's knowledge of
24 aviation and troop support technology. This

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1 tremendous resource, this national asset will not
2 be replaced in our lifetime, but, more
3 importantly, the lives will be lost in the future
4 because the knowledge that could have been saved
5 then would have been squandered.
6 I urge you to tell the Army for the
7 third, and final, time that geographic preference
8 is no substitute for military readiness and ATCOM
9 must stay where it belongs in St. Louis. Thank
10 you.
11 CHAIRMAN DIXON: Thank you, Mr. Belgeri.
12 Mr. Brian Kichline and daughter.
13 PRESENTATION
14 BY
15 MR. KICHLINE:
16 My name is Brian Kichline. I work
17 in the aviation PEO (phonetic). This is my
18 youngest daughter, Grace, who will be three.
19 As a parent of three, two have
20 disabilities, a move would cause great hardship
21 because of medical and school concerns.
22 Currently, we go to St. Louis
23 Children's Hospital, which is one of the top
24 medical complexes. The following is the number of

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1 doctors and specialists we see each year:
2 cardiologist, endocrinologist, neurologist,
3 dermatologist, geneticist, an ear specialist,
4 physical and occupation and speech therapist,
5 high-risk newborn, pediatrician, general.
6 While researching environmental
7 public law, actual practice show in the case of
8 severe disabilities, this rarely happens. My wife
9 has worked the last three years to insure all our
10 children can go to the same school and a move will
11 lose that effort.
12 While my situation is unusual, it
13 is not unique. Please don't forget thousands of
14 families will be adversely affected. I urge you
15 not to move ATCOM. Thank you.
16 CHAIRMAN DIXON: Thank you very much,
17 Mr. Kichline. As a grandfather with a daughter --
18 a granddaughter with a disability, I certainly
19 have empathy with what you said.
20 Mr. Wayne Lindberg?
21 PRESENTATION
22 BY
23 MR. LINDBERG:
24 Good afternoon, Commissioners. I'm

Andrews Reporting Company

1 Wayne Lindberg. I'm from the Research and
2 Development Center, or RDEC at ATCOM.
3 The 1995 DOD BRAC report states
4 "This recommendation preserves crucial research
5 and development functions while optimizing
6 operational efficiencies."
7 This is true if a whole functional
8 RDEC were to move. The RDEC, which DOD declared
9 to be the Rotorcraft Center of Excellence for all
10 three services under Project Reliance, is
11 currently at, or below, critical mass.
12 We are one deep in many technical
13 areas. Based on informal surveys, we estimate
14 this move will cut our numbers in half. We will
15 lose whole areas of expertise and decades of
16 corporate knowledge.
17 How can the remaining 200 people
18 preserve crucial R & D functions? The answer is we
19 can't. The projected time to recover minimum
20 capability is over five years. We can't fall back
21 on the other services because they are looking to
22 us for leadership and support.
23 The FAA has no military capability.
24 The civilian sector can provide us high cost

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1 support relief, but they are dependent on us for
2 technology to compete with foreign rotorcraft
3 companies.
4 Can the conclusion that this
5 recommendation preserve crucial R & D functions be
6 accurate? The Commission must examine the finding
7 closely. Thank you.
8 CHAIRMAN DIXON: Thank you very much,
9 Mr. Lindberg.
10 Mr. Greg Kaprelian. I got that
11 right?
12 PRESENTATION
13 BY
14 MR. KAPRELIAN:
15 You got it right, Mr. Commissioner.
16 Good afternoon. I'm an aerospace engineer from
17 ATCOM. I like to address the impact on the
18 engineering committee will have on the Army should
19 ATCOM relocate.
20 Based on only half the engineering
21 staff relocating, this will result in response
22 time increasing three times longer. In Desert
23 Storm these delays would be considered
24 non-responsive by the user.

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1 ATCOM force the field to choose the
2 following options: Unflyable aircraft, cancel
3 mission, increase spare parts usage or operate
4 increased risk. Most likely, the latter would
5 occur. Contract would be required to fulfill loss
6 by the loss of engineers resulting in more than a
7 $7 million a year increase just to maintain the
8 same level of support to our customers.
9 You would have flown an airplane if
10 the FAA did not ground it. This is what you are
11 asking the Army aviation to have to do should
12 ATCOM relocate.
13 CHAIRMAN DIXON: Thank you.
14 Mr. Bob Jakcson?
15 PRESENTATION
16 BY
17 MR. JAKCSON:
18 Mr. Chairman, Bob Jakcson. I used
19 to be an aviation maintenance officer, test pilot,
20 flew the aircraft after they were maintained.
21 Attention to detail is critical in that particular
22 arena because the people who are going to get in
23 the aircraft after you release it their lives hang
24 in the balance.

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1 I looked at the COBRA report and I
2 try to analytically compare it to pre-flight
3 (phonetic) on an aircraft and I have to say to you
4 this aircraft won't fly, this bird won't get off
5 the ground. I also have to say to you that the
6 report appears to have had a predetermination in
7 mind when the data was put in. Computer models are
8 good, but, as we've all been told by any computer
9 user, garbage in, garbage out.
10 CHAIRMAN DIXON: Thank you, Mr. Jakcson.
11 Now it says here Mr. Steve Kerser.
12 It may be Mr. Steve Kaiser.
13 MR. KAISER: That's my handwriting. I
14 apologize.
15 CHAIRMAN DIXON: Would you identify yourself?
16 MR. KAISER: Yes, I'm Steve Kaiser, contract
17 purchaser. I apologize for my handwriting.
18 CHAIRMAN DIXON: Not at all, sir.
19 PRESENTATION
20 BY
21 MR. KAISER:
22 Commissioner, you have heard how
23 the loss of highly-trained ATCOM employees would
24 severely impact readiness, but it will also result

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1 in significant additional costs.

2 The engineers and contract

3 specialists in Huntsville would not initially have

4 the expertise to evaluate and negotiate proposed

5 costs for helicopter assistance. This is a hidden

6 cost difficult to quantify but could easily result

7 in a 5 percent increase in contract prices or more

8 than $40 million the first year alone.

9 Of course, they would eventually

10 develop the expertise, but it could cost more than

11 a hundred million dollars in the process.

12 Distinguished Commissioners, I ask

13 you, is the American taxpayer willing to pay for

14 that kind of trial-and-error education? Thank

15 you.

16 CHAIRMAN DIXON: Thank you, Mr. Kaiser.

17 Mr. Chris Redd?

18 PRESENTATION

19 BY

20 MR. REDD:

21 Thank you, Senator Dixon and

22 Commissioners. My name is Chris Redd and I'm an

23 integrating logistics floor manager within the

24 program Office of Aviation. I retired from the

1 army in 1987 with over 20 years of active duty.
2 I'm a Vietnam veteran and participated in the
3 operations in Granada Panama, Desert Shield/Desert
4 Storm and all the air missions.
5 I'm a member of the Strategic and
6 Professional Team of Personnel. This team is a
7 critical element to planning the readiness of our
8 war fighting equipment.
9 The expertise of the team only
10 developed after many, many years of working as a
11 team. We are already have trained and experience
12 personnel needed for sophisticated equipment
13 expertise that is not -- I repeat -- not available
14 at Redstone.
15 Many of these team members will not
16 be available in Huntsville. We must start a very
17 long and painful regrowth of the aviation mission
18 area.
19 My experience over 27 years in the
20 military and civil service tells me that we'll
21 decimate aviation readiness and is a step backward
22 to the days we call already as the "hollow army."
23 Let's not repeat that mistake.
24 CHAIRMAN DIXON: Thank you, Mr. Redd.

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1 Mr. Rick Stream?
2 PRESENTATION
3 BY
4 MR. STREAM:
5 Good afternoon Commissioners. My
6 name is Rick Stream. For the past 19 years I have
7 worked as a program budget director and analyst at
8 Abeo Aviation. Prior to that, I was on active
9 duty.
10 The army's data justifying their
11 decision, it's clear to me the cost savings are
12 vastly overstated and costs are significantly
13 understated.
14 I'm deeply disappointed in the
15 Army's sloppy use of data and its justification.
16 One example is it's highly inflated personnel
17 baseline for PEO (phonetic) and SIMA, in addition,
18 the army executed a COBRA run in October 1994
19 which showed a one-time cost of 180 million and
20 700 positions eliminated just two months later.
21 The Army executed a number of
22 overruns reducing its one-time cost by $40 million
23 and adding nearly 300 positions to be eliminated.
24 There was no involvement by the

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1 ATCOM staff during this step to either validate
2 the position losses or access the impact on
3 military readiness. The results would be a
4 devastating impact on aviation readiness. Please
5 don't sign the death penalty for aviation.
6 CHAIRMAN DIXON: Mr. Bill Hurston?
7 PRESENTATION
8 BY
9 MR. HURSTON:
10 Thank you, Chairman Dixon. My name
11 is Bill Hurston. For 11 years I have served in
12 the Budget and Analysis Program and also a
13 certified public accountant.
14 I have reviewed the COBRA model,
15 the bases they have at best sloppy and at worst
16 intellectually dishonest. From implementation of
17 the BRAC '91 merger of ATCOM and TRANSCOM
18 (phonetic), many of the fundamental flaws that
19 existed in the Army's analysis then, such a
20 failure to simply reconcile personnel baselines,
21 are again found in the '95 recommendation.
22 I urge you and your staff to
23 closely examine the Army's analysis. I also
24 suggest that you evaluate this alternative using

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1 current OAB discount rate rather than last year's
2 rate.
3 The decision that directly affects
4 thousands of families and involving the
5 expenditure of millions of dollars certainly
6 require a more intensive and careful analysis than
7 the one done to-date. I place my trust in the
8 Commission to do this for us. Thank you.
9 CHAIRMAN DIXON: Thank you, Mr. Hurston.
10 Ms. Donna Valkenan?
11 PRESENTATION
12 BY
13 MS. VALKENAN:
14 Good afternoon. I'm Donna Valkenan,
15 a management analyst, mother of an army soldier.
16 We have already heard how the dissembling of ATCOM
17 will cause a loss of COBRA knowledge of those
18 sophisticated war fighting systems so critical to
19 achieve decisive victory and how losing this
20 knowledge will degrade the state of near-term
21 readiness.
22 What I would like you to think
23 about also is the face of our Army readiness.
24 This is my son, Walter, at Fort Sill, Oklahoma.

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1 My son and other soldiers like him
2 -- excuse me -- rely on ATCOM's superior
3 qualities and aviation group support to perform
4 the mission. Without this highest level of
5 support, the lives of these soldiers will needless
6 be placed at risk.
7 Before you make your final
8 decisions, please consider the alternatives.
9 Recommend that the Army follow the lead of the Air
10 Force, which showed how not to jeopardize
11 readiness for the sake of reduction in
12 infrastructure. The Air Force kept all of their
13 logistics by trimming operations.
14 On behalf of my son and other
15 soldiers throughout the land, I urge to you to do
16 the right thing. Remove ATCOM from the BRAC list
17 for the good of our Army, for the good of our
18 nation, for the lives of our soldiers. Thank you.
19 CHAIRMAN DIXON: Thank you, Ms. Valkenan.
20 Bryan Williams?
21 PRESENTATION
22 BY
23 MR. WILLIAMS:
24 Ladies and Gentlemen of the

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1 Commission, my name is Bryan Williams. I'm here
2 to present the Base Closure and Alignment
3 Commission with two documents in response to the
4 proposed movement of units to Fort McClellan onto
5 Fort Leonard Wood from one -- from the Commission
6 for the Environment (phonetic), and one technical
7 evaluation. In regard to Fort Leonard Wood, to
8 construct a new facility, the BRAC notified the
9 public that none of the states of the U.S. or any
10 of the permitting requirements will be short in
11 the approval of these application.
12 The applications filed have been
13 reviewed and woefully incomplete. There are
14 numerous blanks in the submitted application. The
15 application to construct the CDTF for Fort Leonard
16 Wood as proof is placed on the original 1983
17 design for a facility currently in operation at
18 Fort McClellan in Alabama.
19 None of the State of Alabama
20 required safety-related equipment additions and
21 none of the design changes have been incorporated
22 in the facilities destined to be constructed in
23 Fort Leonard Wood. The two facilities are not
24 comparable.

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1 The incinerator at Fort Leonard
2 Wood emissions of Serin, the toxic nerve agent
3 responsible for the recent deaths of subway riders
4 in Japan --
5 CHAIRMAN DIXON: You'll have to put the rest
6 of your remarks in the record. Thank you very
7 much.
8 We are adjourned until precisely
9 1:30 this afternoon. At 1:30, we'll hear from the
10 State of Indiana.
11 (Whereupon, the above matter
12 was adjourned at 12:30 to be
13 continued at 1:30 o'clock
14 p.m., the same day.)
15
16
17
18
19
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21
22
23
24

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1 (Whereupon, the following
2 proceedings resumed at 1:30
3 o'clock the same day.)
4 Good afternoon, Ladies and
5 Gentlemen, and welcome to our afternoon session.
6 I'm Alan Dixon. With me are my fellow
7 commissioners, Al Cornella, Lee Kling, Joe Robles
8 and Wendi Steele.
9 This afternoon we will hear
10 presentations from Indiana, Kentucky, Michigan and
11 Ohio, which will last a total of 155 minutes. As
12 is the case with all our regional hearings, the
13 Commission has given a block of time to each state
14 based on the number of installations on the list
15 and the job loss. We left it to elected officials
16 and community members to decide how to fill the
17 block of time.
18 After the states' presentations,
19 there will be a period of 30 minutes for
20 additional public comment. The persons who wish
21 to speak at that time should sign up now in the
22 lobby. They are asked to limit themselves to two
23 minutes.
24 Our first presentation this

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1 afternoon is from Indiana, which has been assigned
2 45 minutes. And, gentlemen, I have to ask all of
3 you, the distinguished senior senator, Senator
4 Richard G. Lugar, Congressman Andy Jacobs,
5 Mr. Glenn Lawrence, and the distinguished Indiana
6 Mayor Goldsmith, to stand as you raise your right
7 hand. Under the law, we have to administer an
8 oath, believe it or not.
9 (Witnesses sworn.)
10 Thank you, gentlemen. I'm
11 delighted to recognize the distinguished senior
12 senator from Indiana. May I say to him I have a
13 letter here from your colleague, my good friend,
14 the junior senator, Senator Dan Coats, and would
15 you please tell Senator Coats we appreciate his
16 interest. His letter will be reproduced in the
17 record in full.
18 And may I say to the audience it's
19 my great pleasure to welcome to this hearing the
20 distinguished senior senator from Indiana and
21 chairman of the Agricultural Committee. I had the
22 privilege of serving on that committee with him
23 years ago. I hold him in the highest esteem.
24 Senator Lugar?

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1 PRESENTATION

2 BY

3 SENATOR LUGAR:

4 Mr. Chairman, I thank you for your

5 greetings, Members of the Commission. I'm honored

6 to testify before you today to discuss the

7 Department of Defense's recommendation in the Base

8 Closure statement to close the Naval Air Warfare

9 Center in Indianapolis, Indiana.

10 I'd like to make several opening

11 remarks and answer questions you or members of the

12 Commission may have.

13 I would like to request a copy of

14 my full statement be included for the record.

15 CHAIRMAN DIXON: And it will be admitted in

16 the record.

17 SENATOR LUGAR: I thank you, on behalf of my

18 colleague, Senator Dan Coats, for that sincere

19 courtesy.

20 I appreciate this opportunity to

21 share my thoughts with you about the Naval Warfare

22 Center and to express my support for an

23 alternative partnership proposal prepared by

24 Indianapolis Mayor Steve Goldsmith.

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1 Mayor Goldsmith has the distinction
2 as a leader in recent efforts to downsize
3 government through privatization. I strongly
4 support Mayor Goldsmith's plan, because it, first
5 of all, achieves real cost savings for the Defense
6 Department, secondly, reduces the economic impact
7 on the local economy, and, third, provides growth
8 opportunities for Indiana's technology and
9 manufacturing industries.
10 The Naval Air Warfare Center has a
11 long distinguished record of service to our
12 nation's military forces.
13 As a former mayor of Indianapolis,
14 I'm familiar with NAWC, and I have visited the
15 facility many times. I have met with many of the
16 very skilled, dedicated professionals whose hard
17 work and career service contribute to NAWC's
18 unique role in maintaining United States military
19 readiness.
20 NAWC Indianapolis is a leader in
21 the design, development, and limited manufacturing
22 of high technology, airborne electronic systems
23 for the Navy. As a knowledge factor, NAWC serves
24 as an in-house technical resource for the Navy.

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1 As a smart buyer, NAWC uses its expertise to help
2 the Defense Department purchase the right
3 equipment at the lowest possible cost.
4 In recent years, NAWC has
5 streamlined its management structure, expanding
6 its customer base and forged partnerships with the
7 private sector and Purdue University and a premier
8 Indianapolis engineering institution.
9 As a defense-based operating fund
10 activity, NAWC is a cost-contained, pay-as-you-go
11 facility generating most of its revenue from its
12 government subsidies.
13 NAWC Indianapolis is the most
14 productive of all the Navy's warfare centers.
15 Despite a 28 percent reduction in overhead
16 expenses, NAWC maintains steady work flow
17 schedules and significant out-year revenue
18 projections.
19 Since 1993, I worked with Indiana's
20 congressional delegation to demonstrate to the
21 Navy the value of maintaining a strong midwest
22 Navy presence in Indiana through the combined
23 functions of NAWC, and the Naval Surface Warfare
24 Center, Crane Division, in Southern Indiana and

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1 Louisville, Kentucky. I believe it's important to
2 highlight the complementary work performed by
3 these three sites.
4 I support the base realignment and
5 closure process as a careful and systematic
6 evaluation of our nation's military requirements
7 and assets.
8 I also believe that creative
9 solutions can be found that not only reduce
10 defense spending but protect our nation's
11 technology base and preserve high-skilled,
12 high-waged jobs.
13 I met with Defense Secretary
14 William Perry in February to express my support
15 for Mayor Goldsmith's partnership plan. In a
16 meeting I arranged between Mayor Goldsmith and
17 Defense Secretary John Deutch, Secretary Deutch
18 expressed interest in privatization as a worthy
19 alternative to outright closure.
20 The mayor's innovative proposal
21 features several components I believe are
22 attractive to the Defense Department. In addition
23 to assuming closure of the NAWC facility as a DOD
24 site, the mayor's partnership plan also provides

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1 significant cost savings by first removing 1300
2 employees from the federal payroll, secondly,
3 avoiding relocation expenses for 1600 employees
4 slated for transfer, and, third, consolidating
5 certain NAWC administrative functions at Crane.
6 In addition, the mayor's
7 partnership proposal reduces facility closure
8 costs and saves mil time, dollars and relocation
9 expenses.
10 Throughout its history, NAWC
11 Indianapolis performed a unique mission for the
12 Navy. Whether in peace time or in crises,
13 dedicated NAWC professionals have met the Navy's
14 readiness and development requirements.
15 I believe Mayor Goldsmith's
16 partnership proposal is a sound alternative to a
17 solution to the difficult economic and
18 defense-based issues associated with military
19 closings. It is a good plan for our national
20 security, for our technology future, and for the
21 Indiana economy.
22 Despite reduced defense budgets, I
23 believe that we, as a nation, can put our best
24 minds to work in these important areas to address

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1 the engineering challenges of today and tomorrow
2 and do so at less cost to the taxpayers.
3 I urge the Commission to give every
4 consideration to the merits of this partnership
5 proposal as the Commission makes its final
6 recommendations to the President later this year,
7 and I thank you all for the opportunity to testify
8 before the Commission.
9 CHAIRMAN DIXON: May I say to my
10 distinguished friend, we appreciate very much your
11 very fine presentation. I can speak on behalf of
12 the Commission when I say that, both in the case
13 of Indianapolis and the case of Louisville,
14 Kentucky, we have heard considerable commentary
15 about the value of privatization.
16 I hope my colleague, from my past
17 experience in the Senate, knows of my views and my
18 firm feeling that privatization is always a
19 welcome opportunity if we can arrange them
20 appropriately, and you may be assured that within
21 the boundaries of what we can legally do, that
22 remains to be seen.
23 Everything that you have presented
24 to us will be carefully evaluated. We are

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1 indebted to you, sir.

2 SENATOR LUGAR: Thank you.

3 CHAIRMAN DIXON: We are pleased to welcome

4 Congressman Andy Jacobs.

5 PRESENTATION

6 BY

7 CONGRESSMAN JACOBS:

8 Mr. Chairman, Members of the

9 Commission, the situation requires that I be

10 brief, and brief I will be.

11 I know now the same territory, the

12 main course for your after lunch pleasure will be

13 Mayor Goldsmith's presentation. You can all

14 applaud and say he is the author of this very

15 imaginative proposal.

16 I will say that we are well aware,

17 I think, that your charge is national, your

18 responsibility is both to the defense of this

19 country as efficiently as possible, which leads to

20 the second, the best cost to the taxpayers.

21 You are not here to make

22 Indianapolis happy or any other city, except as

23 American citizens ought to be happy with a frugal

24 and effective defense system. We are well aware

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1 of that.

2 Probably one of the most egregious

3 misquotations in the history of the United States

4 was the one attributed to Charles Wilson of

5 General Motors in the Eisenhower administration.

6 Down through the years he's been quoted as

7 saying, "What is good for General Motors is good

8 for the United States." That was not the

9 quotation, nor the context at all.

10 In fact, he said in the senate

11 hearing, "What is good for the United States is

12 good for General Motors, and, likewise, what is

13 good for General Motors is good for the United

14 States." That's the way we would like to approach

15 this matter.

16 Mayor Goldsmith has crafted a

17 proposal that is, we think, good for the United

18 States, and we are very happy to note that it is

19 less bad for Indianapolis than in some other --

20 the original proposal might have been.

21 In other words, we are not asking

22 you to repeal reality. We are conversant with the

23 reality of this situation and we believe that that

24 reality can be improved upon, and you will hear

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1 the main speech from the man who fixes the streets
2 in front of my house.
3 (Laughter.)
4 CHAIRMAN DIXON: Well, Congressman Jacobs, we
5 thank you for your very practical and sensible
6 comments, and we are indebted to you, sir, for
7 that helpful contribution.
8 We are pleased to have Mr. Glenn
9 Lawrence with us, who is, as I understand it, is
10 the governor's military base commission chairman
11 for the distinguished governor of Indiana, Evan
12 Bayh.
13 MR. LAWRENCE: Thank you, Mr. Chairman. I'll
14 just remain here.
15 CHAIRMAN DIXON: Fine. Thank you,
16 Mr. Lawrence.
17 PRESENTATION
18 BY
19 MR. LAWRENCE:
20 I do bring you greetings from
21 Governor Evan Bayh from the State of Indiana.
22 Mr. Chairman and Members of the
23 Commission -- Mr. Kling, nice to have seen you
24 last week, and not to say that I am not pleased

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1 with all the Commissioners. We had a very nice
2 meeting with Mr. Kling and we appreciate that.
3 Unfortunately, Indiana is very
4 familiar with this process. The governor
5 testified in 1991 in Indianapolis. I testified in
6 1993 in Ohio. Unfortunately, we are very familiar
7 with the results of the decision of the
8 Commission, having had four military bases either
9 closed or severely realigned over the past three
10 BRACs.
11 As a result of that, in 1992
12 Governor Bayh established a Military Base
13 Coordinating Commission of which I'm executive
14 director. We have a number of distinguished
15 citizens who sit on that commission, and we had
16 Fort Harrison close; we had the Garrison Air Force
17 Base close with the reserves remaining there. We
18 had Jefferson Proving Grounds closed. We had the
19 Army Ammunition Plant mothballed with most of the
20 jobs gone.
21 So as a response to that, the
22 governor gave this Commission three mandates: One
23 was to assist in trying to save the Finance Center
24 at Fort Harrison, which we accomplished, secondly,

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1 to assist the local communities in their
2 transition from military facilities to economic
3 development facilities. Happily we were on our
4 way with all of the bases. We, of course, run
5 into some difficulties.
6 In the course of what we have been
7 doing over the past two years, we have developed a
8 strategy which is called the "Indiana Defense
9 Readjustment Strategy," which is for the
10 communities and for the business community and for
11 regular citizens job retraining. And I would like
12 to leave this with you, not to be included in toto
13 in the record but for your staff to refer to, if
14 they would like to see what we have been doing,
15 that you really can turn some of these things into
16 a positive. One of those will be a 1700 acre park
17 in downtown Indianapolis.
18 CHAIRMAN DIXON: We thank you for that,
19 Mr. Lawrence. We think it's valuable and it will
20 be reproduced in the record.
21 MR. LAWRENCE: And it's been a learning
22 experience, and this time we are attempting to get
23 ahead of the curve in a bipartisan way, in a
24 cooperative way. The state, and the communities,

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1 and federal representatives have been working
2 together on an attempt to see what we could do to
3 salvage jobs, which is my final mission, to keep
4 the two remaining facilities in Indiana open,
5 Crane Naval Surface Warfare Center and
6 Indianapolis Naval Airway Division. Hopefully,
7 after today's meeting, I will have accomplished
8 all my missions. We will see.
9 I want to save as much time as I
10 can for Mayor Goldsmith and tell you again the
11 governor will be submitting a written statement to
12 be included in the record after this hearing, and
13 we appreciate your attention.
14 CHAIRMAN DIXON: We thank you, Mr. Lawrence.
15 Express our profound appreciation to the
16 distinguished Governor Evan Bayh for his
17 contribution and be assured that his remarks that
18 he sends to us, through you or by whatever method,
19 will be fully reproduced in the record.
20 And we are delighted, of course,
21 now to recognize the distinguished mayor of
22 Indianapolis, Indiana, Mayor Stephen Goldsmith for
23 his remarks.
24 MAYOR GOLDSMITH: Thank you, Mr. Chairman.

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1 My good friend, Senator Lugar, and
2 my mentor is walking behind just to catch a
3 plane. I'd like the Commission not to take it as
4 a personal statement about my remarks.
5 CHAIRMAN DIXON: The Commission takes note of
6 the fact that the distinguished senior senator has
7 some other fish to fry. We excuse him to catch an
8 airplane in the course of his ambitions, which are
9 lofty ones.
10 (Laughter.)
11 PRESENTATION
12 BY
13 MAYOR GOLDSMITH:
14 Thank you, sir. I appreciate the
15 opportunity to appear before you in support of the
16 governor and all the congressmen from our state
17 and both senators. And being sensitive to your
18 time, there are a number of important issues, as
19 the senator mentioned, some important to me, as
20 the mayor, and others important, I believe, to the
21 defense of the country, and we come here in that
22 context. Let me paint the context for a minute.
23 As Glenn said and the senator said,
24 we have some experience with this process. Just

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1 literally a stone throw away from this facility
2 was another fort, which will be closed imminently.
3 I would have to say despite great
4 teeth gnawing and consternation we did not come --
5 I did not come before this Commission and say you
6 have an obligation to keep that fort open. We
7 worked to preserve certain assets at that fort,
8 but it was a difficult case to make that you had
9 an obligation to the United States of America to
10 keep a fort open in my particular city.
11 We began then, however, to prepare
12 for the eventuality that this particular facility
13 would eventually come before the Base Closure
14 Commission, and I've been working on the process
15 that brings me before you three years, not for 90
16 days, but for three years.
17 The process designed by the
18 Congress and the military is a good one but is
19 totally inapplicable to the facility in
20 Indianapolis, and for a couple of reasons: First
21 of all, when I began this two-and-a-half, three
22 years ago, and, as I mentioned to the Commission,
23 I was in the Army Reserve, the opportunity to
24 speak to a admiral was a lofty and wonderful

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1 thing.

2 I spoke to every admiral that's

3 been in Washington in the last three years and had

4 developed some sense what this is all about, and

5 the gentlemen I spoke with were very candid,

6 including I remember vividly a conversation with

7 Admiral Burr (phonetic) two-and-a-half years ago,

8 where he essentially said we have an obligation to

9 preserve our coastal assets, and, in this context,

10 China Lake and Patch River were very important

11 assets that needed to be preserved by the Navy.

12 Now that was a substantial clue to me that I

13 needed to get busy here to prepare for the future

14 of Indianapolis.

15 We then began a number of

16 missions. One, I didn't want to come before the

17 Commission and say you have an obligation to keep

18 our center open, because I have, I think, lead the

19 way in terms of municipal government in terms of

20 downsizing, prioritizing 60 services, reduced our

21 work force by 35 percent and appear before the

22 Commission and say you have an obligation to keep

23 jobs in Indiana is at least inconsistent. We

24 began to cry out for the process of privatization

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1 and joint partnership.

2 We ran into one immediate barrier.

3 We could not prevent anything until after we were

4 ordered closed. We couldn't convert while we were

5 an ongoing viable institution. The military

6 process required the staff, the BRAC staff, to

7 close us and then we could petition to stay open,

8 and, for those of you who have been through this

9 process before, privatizing an operation once it's

10 closed is substantially more difficult than

11 privatizing when it's open.

12 We then came up with a plan with

13 the Crane Naval Depot that does a number of the

14 same functions in different places in the spectrum

15 that has particularly innovative and creative

16 management and say why don't we combine Crane and

17 Indianapolis, and Indianapolis, in what we thought

18 was a really bold step, agreed to come in under

19 the command structure of Crane petitioned to have

20 those numbers considered by this Commission as

21 part of the scenario process.

22 Senator Coats was kind enough to

23 arrange a meeting between Secretary Dalton and the

24 senator and myself where we asked for these

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1 of Defense by more intelligently positioning
2 itself in the dual technology situation to enhance
3 the purchase of every dollar spent and enhance the
4 purchase of electronic technology, and the answer
5 came back again you can't use a process that looks
6 forward into the 21st Century.
7 We want to prepare in the 21st
8 Century with a snapshot of what it looks like in
9 1994. So we are really caught in kind of an
10 inadvertent Alice-and-Wonderland situation where
11 we are trying to say, well, we'll jump ahead ten
12 years and the navy wants us to jump ahead ten
13 years. Secretary Deutch wants us to jump ahead
14 ten years.
15 We had a great conversation with
16 him as a result, but everybody knows the process
17 won't allow it, and, in fact, Secretary Deutch
18 said the only people that can help you do this is
19 the Commission. I'm for it. It sounds good to
20 me.
21 We haven't met anybody yet that
22 said this is a bad idea. All of them have said
23 there's no legal recourse, other than the
24 Commission itself. The staff doesn't have the

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1 numbers to be considered.

2 The secretary said he would do

3 everything in his power to make sure these numbers

4 were considered, because they were remarkable

5 savings, and we were, I think, one of the few

6 installations that were willing to go through a

7 downsizing voluntarily, and, unfortunately, the

8 response came back, no, we can't run any numbers

9 that don't exist today.

10 So even if you are willing to

11 command and rationalize your command structure,

12 even if you are willing to lay off your overhead,

13 even if you are willing to come under another

14 command structure, we can't run those numbers.

15 Even if it saves a hundred million dollars, our

16 model does not allow you to think in the future.

17 The third problem we have in this

18 particular process is that I think what the

19 Congress is doing in this situation is truly

20 remarkable, trying to prepare the military for

21 the -- and the country for the 21st Century, more

22 value for the dollar.

23 So we stepped back and said how can

24 NAWC play a major role in helping the Department

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1 authority; the secretary doesn't have the
2 authority; the Secretary of the Defense doesn't
3 have the authority, only the Commission has the
4 authority. We are yet to meet anybody to say this
5 is a terrible idea, we can't do it.
6 We have come before you today with
7 three years of preparation hoping that you will
8 give us the authority to do what everyone thinks
9 is in the best interest of the country, as well as
10 the best interest of Indianapolis.
11 Now if I could quickly step through
12 what I think are some attributes, very unusual and
13 unique attributes, of the Naval Air Warfare
14 Center.
15 As Senator Lugar mentioned, the
16 models that have been setup to bring us here today
17 don't generally deal with the knowledge factor.
18 They deal with manufacturing factors, and there
19 aren't very many military installations that are
20 just a building full of intelligent scientists
21 working in teams.
22 When we deal with the knowledge
23 factor and arbitrarily say, okay, we are going to
24 split some of the scientists in the East Coast,

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1 some of the scientists in the West Coast, some of
2 the scientists in Southern Indiana, and we are
3 going to arrange people by kind of centrifugal
4 force spun around the country, we kind of lose the
5 idea the best and brightest don't automatically
6 get spun around the country. They leave.
7 At least our information is that
8 the examples that occur in other places is like a
9 propulsion center of the Navy, the best and
10 brightest didn't move. They essentially --
11 (A brief interruption.)
12 CHAIRMAN DIXON: Mr. Mayor, we'll let the
13 record show that nothing you have said or done
14 caused that.
15 MAYOR GOLDSMITH: That's a punctuation,
16 exclamation point. More troubling than Senator
17 Lugar's departure.
18 (Laughter.)
19 But two things -- the two problems
20 with respect to the knowledge factor compared to
21 the manufacturing factor.
22 First of all, the best and the
23 brightest don't automatically move and, secondly,
24 the Navy did a model basically which applied to

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1 Fort Harrison, which is a pretty good model, which
2 says bigger is better; the more things you can
3 salvage in one place, the fewer roads you have to
4 take care of, the fewer sewers, the less
5 infrastructure and less overhead.
6 In this particular situation, I'm
7 already, as the mayor of Indiana, responsible for
8 the sewers and the roads and the infrastructure,
9 other than within the gates of the building, and
10 so there isn't any infrastructure to be closed.
11 It's already embedded in my cost.
12 And, secondly, I just did -- I'm
13 not a scientist, but I went and punched in one of
14 these NEXUS/LEXIS dialogue Internet searches to
15 try to find any literature that says if you take
16 scientists and engineers and put them in bigger
17 and bigger and bigger organizations, they perform
18 better.
19 In fact, not remarkably, I found a
20 whole list of research and management journals
21 that said generally smaller, more flexible, more
22 creative organizations are a better place for
23 scientists than research engineers to be located.
24 So the whole theory of the COBRA

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1 model, which is bigger is better is exactly
2 inapplicable to a group of highly-trained
3 scientists working in a team atmosphere. So the
4 attributes of NAWC make it particularly difficult
5 to facilitate within this framework.
6 We have another somewhat similar
7 example in Indianapolis where Allison Wilson
8 (phonetic) was just purchased by Rolls Royce. One
9 of the reasons that virtually the entire
10 congressional delegation and the mayor's office
11 supported the Rolls Royce purchase is because they
12 wanted to keep the scientists and engineers and
13 research group together as a team because they
14 were valuable as contrast to disbursing them to
15 disintegrate them, and I think the same principal
16 applies here.
17 Secondly, with respect to the
18 special attributes, we don't fit very well in this
19 model, and let me provide three specific examples.
20 This organization provides key support to the
21 Department of Defense. I'll slow down a little
22 bit. I want to stay within my time. Let me slow
23 down just a second.
24 Part of privatization -- and I'm

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1 just a mayor of a city. I'm not running the
2 country. But generally private vendors perform
3 well when the government side of the line performs
4 well, when we manage the contract well,
5 aggressively, authoritatively, preventively; when
6 we don't, they don't, and we have conceptualized,
7 because it's already a part of what's happening.
8 NAWC, as the smart electronics
9 purchaser for the Department of Defense, and this
10 smart buyer aspect in a dual technology transfer
11 technology application is absolutely critical to
12 have somebody good right in the center doing
13 prototyping, quality control acquisition, strategy
14 and preparing to transfer technology across a
15 spectrum of private and public.
16 So what we have here today is a
17 smart buyer in NAWC and one that will be
18 particularly critical in the 21st Century where
19 the lines between public and private acquisition
20 and development are very reverse; the more dual
21 technology you have, the more we need what NAWC
22 does.
23 For example, there was a
24 computer -- standard airborne computer designed by

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1 the private sector. The NAWC scientists took it
2 in, retinkered with it, came up with
3 specifications that any vendor in the country
4 could bid on and provided the reliability and
5 reduced the cost by $70 million because they were
6 a group of smart buyers who understood how to
7 tinker with that.
8 Secondly, in this seemless defense
9 system between private and public, it's very
10 important to have somebody in the center who can
11 transfer technology and meet and be the interface
12 between the pilot and the sailor on the ship and
13 the private sector.
14 For example, I'm informed, and I'm
15 not again an engineer, but that the B22 is having
16 a weight problem. We have props here. So this is
17 how I have to think. I was a trial lawyer once in
18 my life.
19 (Laughter.)
20 CHAIRMAN DIXON: So was I. Proceed, Mayor.
21 MAYOR GOLDSMITH: We are making a little
22 progress here, Senator, I think.
23 Basically, the problem -- this is
24 really a good way to visualize it. So the pilots

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1 and the engineers go in. This plane is too
2 heavy. By the way, it takes an awful lot of work
3 in the field to maintain even one of those little
4 gismos (indicating). So they come back to NAWC
5 and these guys go, here, let's do one of these,
6 and it takes the place of all of this stuff
7 (indicating). Not only is it more efficient, but
8 if something does go wrong, they rip this out
9 (indicating), you put in the next one.
10 So basically what we have is a
11 group of individuals that sit between the guys in
12 the field, men and women in the field, and the
13 private vendor and work on tinkering with things
14 so that the response time is quicker and the
15 maintenance costs are less, and, in this case, the
16 weight came down by 45 percent and the cost came
17 down about 25 percent, as a result of the
18 intelligence of people who were there. It's just
19 a -- pardon the prop -- little example of what
20 they can do.
21 The third way that they are
22 particularly skilled, their attributes, in terms
23 of supporting the Department of Defense, is
24 emergency turnaround.

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1 For example, again, I'm informed of
2 the optical landing problem. In order to land, it
3 needed some dramatic work so that these jets could
4 land, and these guys, men and women, at NAWC
5 turned this around in a very short period of time,
6 11 days, so this would work.
7 Similarly, the Maverick missile
8 couldn't work without electronic reconfiguration
9 and the NAWC folks brought that in and in a very
10 short period of time, a matter of days, and turned
11 it around again.
12 So we have three different ways
13 that we provide key support for the Department of
14 Defense that would be absolutely critical in the
15 21st Century: one, is the smart buyer; two, we
16 help the suppliers meet the Department of Defense
17 needs; and, three, we have emergency turnaround.
18 There were some other props we were suppose to
19 use.
20 This is a -- we retooled this
21 (indicating) in about 36 hours time to allow to be
22 fired from a plane that was incapable of firing
23 that missile. I have no idea what's inside of it,
24 but they did it rapidly and the missile worked.

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1 Now how much time do I have left?

2 CHAIRMAN DIXON: Well, you have nine minutes

3 and 45 seconds, Mr. Mayor, but you have a little

4 space here. The senator was a little short, so

5 was the congressman.

6 MAYOR GOLDSMITH: Let me then move to another

7 issue. So we have the fact that we have special

8 attributes in support of the Department of

9 Defense.

10 The way that the numbers were

11 calculated here is quite unusual for a number of

12 reasons: First of all, we are just a building and

13 there isn't much to be saved from closing a

14 building, spending hundreds of millions of dollars

15 transferring people from building to building and

16 moving the equipment.

17 Just anecdotally, from the

18 application of a computer model, it's very

19 difficult to figure out how that saves any money,

20 very few military people on the site as one large

21 building's 160 acres, nothing to be saved by the

22 move.

23 Secondly, and I have to say even

24 more puzzling, in fact, it must be an inadvertent

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1 error that the military value calculations in this
2 model are bizarre.
3 Our installation received zeros for
4 military value in its corp. competitive strengths,
5 not a low score, zeros. We received zero for full
6 spectrum life cycle responsibility, zero for total
7 system integration responsibility, zero for system
8 integration responsibility, and zero for component
9 integration responsibility.
10 Since the congressman and senator
11 and Mr. Lawrence spoke quickly, I'd like to use
12 four of their minutes before my summation showing
13 you why zeros in these areas are absolutely
14 impossible, and if they were scored correctly,
15 why we wouldn't be on the closure list.
16 (A brief pause.)
17 Each second counts. You have to
18 start quickly.
19 (Whereupon, a videotape was
20 shown.)
21 (End of Videotape.)
22 I appreciate your indulgence. The
23 reason I think this is important is because what
24 we do is full spectrum, full life cycle, full

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1 integration system development, the only place in
2 the navy this occurs, and that's what we got zeros
3 for in terms of military value. It's almost
4 incomprehensible, and, secondly, what's even more
5 puzzling is that the Navy valued us at zero and
6 they are spending $50 million to move these same
7 parts to China Lake.
8 Originally we were told there's a
9 need to protect Patch River and China Lake.
10 They're incurring an enormous cost in part because
11 of what's happening in Indianapolis.
12 Just, finally, Mr. Chairman,
13 Members of the Commission, we think we have a
14 proposal, because of the nature of men and women
15 at NAWC. This is a no-lose proposal for the
16 Department of Defense. And the reason I'm excited
17 we received so much support from high ranking
18 officials in the Department of the Defense who
19 essentially propose the military use strength and
20 command strike under Crane just as the Commission
21 proposed.
22 We would reduce the overhead rate
23 even more than the 25 percent that's been reduced
24 in the last several years. The City of

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1 Indianapolis would acquire the building from the
2 Navy so that we would essentially produce only
3 marginal cost occupying the space. We would
4 spin-off that to private sector companies that
5 would have a seemless approach to naval
6 development and we would essentially continue to
7 produce a full-spectrum comprehensive program and
8 platform development for the Department of the
9 Navy.
10 Now we have -- sure, we have a list
11 of four or five private companies that have
12 expressed a willingness to take over these
13 employees, but I will say even more fundamentally
14 that I'm so confident about this that we are
15 willing to take the risk. There is no risk to the
16 Navy because these employees will be cut in half.
17 The base will be closed pursuant to what the Navy
18 wants to do. Command structure will be merged
19 into Crane.
20 What happens if the private side
21 doesn't work? Two, three, four, five years from
22 now the Navy still has the flexibility to go ahead
23 and move the remaining 1580, 1400 Navy employees.
24 So, essentially, what we are

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1 proposing today is a system that says (A) we would
2 like for you to look at the methodology and the
3 calculations. There's really all sorts of ways
4 the numbers work, but, more importantly than that,
5 we have a group of individuals whose value is not
6 the building, it's their brains and their teams,
7 and this can be left in tact. We can save $100
8 million more than has been proposed before this
9 Commission.
10 We are coming before this
11 Commission today and we think in a way that's
12 different from anyone else. We are not saying
13 don't close our installation. We are saying you
14 should close our installation. You should close
15 our installation and save a hundred million
16 dollars more than what the Navy has proposed, but
17 the way to prepare our country for the future by
18 smart buying acquisition management is to close
19 us, consolidate us into Crane, transfer -- keep in
20 place, transfer back essentially 13, 1200
21 employees, allow us to privatize the other half of
22 it, stabilize the operation and see what happens
23 over a three-to-five year period of time.
24 The Navy is out not a cent. They

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1 have saved a hundred million. They have downsized
2 their work force. They closed the base and they
3 have kept the most valuable people in terms of
4 electronic acquisition in place for dual
5 technology development in the future.
6 If those things are done,
7 Mr. Chairman, Members of the Commission, let me
8 just -- one last example. As your staff gets into
9 the COBRA model, you'll see that one-time closure
10 costs in Indianapolis are listed at 77 million.
11 This is interesting because the numbers submitted
12 were 187 million, and when the Commission staff
13 met in Indiana on Monday and they asked NAWC
14 employees how much it would cost to move the
15 facility, it was 250 million. We calculated that
16 it will take net present value of what the Navy
17 has proposed is a substantial minus; ours is a
18 plus.
19 So, in summary, Mr. Chairman,
20 Members of the Commission, we come before you with
21 a unique proposal, one that's good for the
22 country. It's good for the Navy. It's good for
23 the employees. It's good for my city. It will
24 allow for acquisition, management and development,

1 researching and prototype that was shown in the
2 video where in nowhere else in the country will
3 save the taxpayers a hundred million dollars.
4 Thank you very much for your time.
5 CHAIRMAN DIXON: Well, thank you very much,
6 Mr. Mayor, for that very unique presentation, a
7 fine presentation. We are indebted to you for it.
8 I might respond by saying that in
9 the course of my elective career, which spans four
10 decades plus, I knew, as a freshman member of the
11 Illinois House, the distinguished mayor of Chicago
12 before he came mayor of Chicago when he was in the
13 Stevenson cabinet in the early '50s. He went on
14 to be a towering giant, the great mayor of this
15 city, Richard J. Daley, who was said in his time
16 he built the greatest political organization then
17 known in the world.
18 His son is now a great mayor of
19 this city, Richard M. Daley, just reelected
20 overwhelmingly in recognition of his outstanding
21 contributions as a great leader of this City of
22 Chicago, much of which was done with
23 privatization, Mr. Mayor.
24 As a member of the United States

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1 Senate, I supported on many occasions, both as a
2 member of the Armed Services Committee and
3 chairman of the subcommittee and other places, the
4 idea of privatization. It's a valuable
5 contribution.
6 I'm pleased that you and
7 Indianapolis and others in Louisville, Kentucky,
8 both suggested that we look at this, and we must
9 say to you that we're not sure of the extent our
10 legal authority in this connection, but we are
11 going to carefully evaluate it, and I know that I
12 speak for my colleagues when we say we are
13 interested in what you are suggesting to us and
14 indebted to you for the time you spent on it.
15 Do any of my colleagues have a
16 question?
17 (No verbal response.)
18 I thank you very much, Mr. Mayor.
19 MAYOR GOLDSMITH: Thank you, Mr. Chairman.
20 (Applause.)
21 CHAIRMAN DIXON: The best to you.
22 The State of Kentucky is next. Now
23 we are a little bit -- five minutes ahead of
24 schedule. Are the folks from Kentucky comfortable

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1 with going forward? Great to see my old friend
2 and congressman and others here.
3 I'm not throwing you out,
4 Mr. Mayor.
5 MAYOR GOLDSMITH: I know. I had five minutes
6 left.
7 CHAIRMAN DIXON: Oh, no. The typical
8 politician's response after five minutes.
9 While the delegation from Kentucky
10 is arranging the chairs, let me simply say that
11 the State of Kentucky has been allotted 45 minutes
12 for its presentation.
13 I note the presence of Congressman
14 Mike Ward; former congressman, Ron Mazzoli, and
15 Judge/Executive David Armstrong of Jefferson
16 County, Kentucky; Mr. Larry Craig, the president
17 of the Machinist Union Local; Mayor Jerry
18 Abramson, the distinguished mayor of the City of
19 Louisville. There may be others.
20 In any event, it has been requested
21 that rather than allotting certain periods of time
22 that we simply run a 45-minute clock.
23 Who speaks for the delegation?
24 MAYOR ABRAMSON: Congressman Ward does.

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1 CHAIRMAN DIXON: Congressman Ward, is that
2 satisfactory? Is that what you want to do is run
3 a 45-minute clock and you allot your own time?
4 CONGRESSMAN WARD: That would be fine.
5 CHAIRMAN DIXON: Lieutenant Governor Patton
6 is here as well from the State of Kentucky. I
7 thank you.
8 That will be the ruling of the
9 Chair that when their clock begins upon the
10 recognition of Congressman Ward, we'll run a
11 45-minute clock.
12 Congressman Ward, I think you have
13 a clock over there. You can kind of watch your
14 own time and so forth.
15 CONGRESSMAN WARD: You'll start that for me?
16 CHAIRMAN DIXON: Whenever you get up there.
17 I'm not going to take any time from you. I'm not
18 going to start that clock until you get started.
19 Are you ready, sir? Let's wait until we get
20 everything setup here. Let's let everybody get
21 their material posted. We are getting a lot of
22 trial lawyers in here today.
23 CONGRESSMAN WARD: Excuse us while we move.
24 We do this without music, which is the amazing

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1 part.

2 CHAIRMAN DIXON: The Chair recognizes

3 Congressman Michael Ward.

4 PRESENTATION

5 BY

6 CONGRESSMAN WARD:

7 Good afternoon, Mr. Chairman, and thank

8 you very much for allowing us this opportunity to

9 make our presentation.

10 I appreciate the Members of the

11 Commission who have come today to listen to our

12 proposal. First, I want to make it very clear

13 that my preference is to keep the Naval Ordnance

14 Station at Louisville open. It is a world class

15 facility and, in my judgment, should never have

16 been placed on the base closure list.

17 CHAIRMAN DIXON: Pardon me, Congressman Ward.

18 Please stop the clock.

19 I'm embarrassed to say that I seem

20 to forget about half the time that I'm mandated by

21 law under the statute to ask you all to stand and

22 raise your right hand.

23 That's what you are going to have

24 to do.

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1 (Witnesses sworn.)
2 We'll start the clock again. Thank
3 you, sir.
4 CONGRESSMAN WARD: I'll throw out part of my
5 testimony.
6 Good afternoon and thank you,
7 Mr. Chairman and Members of the Commission, I
8 appreciate your taking the time -- I think I will
9 start at the beginning again to just to make sure
10 we have it all in one package.
11 I want to make it clear from the
12 very outset that my preference is to keep the
13 Naval Ordnance Station at Louisville open. It is
14 a world class facility, in my opinion, and should
15 never have been put on the closure list.
16 Absent that, I feel that a portion
17 of it should be kept open and in the control of
18 the Navy. But if the Commission does not remove
19 the facility from the list, and if the Navy is
20 just bent on seeing it closed, we believe the
21 following proposal offers the best possible plan
22 to achieve the objectives of the Base Closure and
23 Realignment Commission has for Louisville without
24 disrupting the most comprehensive gun repair

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1 overhaul and maintenance facility in the nation.
2 Our community proposal -- and we
3 call it the "Louisville Plan." We are going to
4 outline in here with some bullet points -- with
5 your agreement and support, will achieve the
6 following: It will save the Navy in excess of
7 $300 million while reducing the Navy's
8 infrastructure in Louisville to virtually zero.
9 It will maintain the world class
10 naval gun work now being done at Louisville
11 without disrupting its state-of-the-art operation
12 synergy.
13 It will create a naval gun center
14 of excellence that will become a model for our
15 Armed Services and the defense industry as we
16 prepare for the security threat of the next
17 century.
18 The Louisville Plan will bring in
19 key defense contractors and retain only inherent
20 governmental engineering work at Louisville.
21 It will remove this facility from
22 the Navy's inventory and provide an affordable way
23 to retain the defense infrastructure and
24 state-of-the-art work now done in Louisville on

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1 some of the Navy's most critical weapons systems.
2 This is not only a Louisville
3 plan. It is of great interest to the Navy. We
4 have enclosed a letter of endorsement from the
5 Office of the Assistant Secretary of the Navy,
6 Robert Perry. We got it yesterday afternoon. We
7 were not able to put it in the printed package
8 that you see, so we slid it in under the front
9 page.
10 Before I introduce our team, let me
11 say we welcome your comments, concerns and
12 observations about our plan. Please don't
13 hesitate to interrupt or ask any questions or make
14 any comments at any point in our discussion.
15 Here today with me we have our
16 Lieutenant Governor Paul Patton on my far left to
17 the Commission who's representing the Commonwealth
18 of Kentucky.
19 We have former United States
20 Representative Ron Mazzoli who represented our
21 community in Congress for a quarter of a century
22 up until January of this year and is an expert on
23 the Louisville Naval Ordnance Station and its
24 potential.

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1 Congressman Mazzoli is here today
2 as well representing the business community of our
3 region as vice chair of the board of directors of
4 the Louisville area Chamber of Commerce; Jefferson
5 County Judge David Armstrong, the former attorney
6 general of our commonwealth and outstanding leader
7 in our community as our county judge/executive;
8 also, Louisville Mayor Jerry Abramson, one of our
9 country's most progressive urban leaders, and last
10 year's president of the U.S. Conference of Mayors;
11 also Mr. Larry Craig, who is president of Local
12 Lodge 830 of the International Association of
13 Machinists and Aerospace Workers, which represents
14 about two-thirds of the work force at the Naval
15 Ordnance Station.
16 I'm also submitting a letter for
17 the record from members of Congress and the
18 affected area in support of our plan.
19 Mr. Chairman, all of us here today
20 are convinced that our proposal offers both a
21 vision for the needs of the Navy and the
22 Department of Defense in the 21st Century and a
23 model for preserving and enhancing the industrial
24 might needed by the United States in its new and

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1 future role as the world's only super power.
2 Now if I may, let me introduce
3 former Congressman Ron Mazzoli.
4 PRESENTATION
5 BY
6 CONGRESSMAN MAZZOLI:
7 Thank you very much, Congressman
8 Ward, Mr. Chairman, and Members of the
9 Commission. Thank you very much for your time
10 today, and with respect to you, Mr. Chairman and
11 Mr. Kling, thank you very much for having come to
12 Louisville last week and for your staff, some of
13 whom are here, for their time as well.
14 CHAIRMAN DIXON: If I may interrupt, on
15 behalf of Commissioner Kling and myself, we were
16 very pleased with the outstanding presentation
17 that you made.
18 CONGRESSMAN MAZZOLI: Thank you very much.
19 We should probably provide rubber sole shoes for
20 those trips that we didn't do. Maybe the next
21 time around. I want to thank the Chairman also as
22 Chairman Ward has said, I do serve on the board of
23 directors of the chamber so I speak on behalf of
24 the business community as well.

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1 My association with Naval Ordnance,
2 I believe you remember, Mr. Chairman, goes back
3 really a full generation. In 1971 when I was
4 elected to Congress, my then neighbor -- my today
5 neighbor, Clarence Strong, was the technical
6 director of Naval Ordnance and it was Clarence who
7 suggested I come out and take a look at Naval
8 Ordnance. So in 1971, I began what would be
9 basically annual visits to see how the facility
10 was moving, and I would say, Mr. Chairman, that I
11 know the people, and I know the process very well
12 out there.
13 I believe that the story of my
14 neighbor and friend, Clarence Strong, is really
15 the story of Naval Ordnance, and that is
16 dedication to the Navy and to the nation,
17 patriotic service to the country and excellence in
18 work product.
19 I remember back in 1993 saying to
20 Chairman Courter that the Naval Ordnance Station
21 in Louisville is the best of the breed, but, as
22 you see in one of our slides here, it's also the
23 last of the breed, and we think for a number of
24 reasons it has been the gunsmith to the Navy for

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1 the past half century and be continued as gunsmith
2 to the nation and to the free world for the 21st
3 Century, and that can happen, Mr. Chairman, if our
4 plan, which will be discussed in great detail by
5 my colleague, is adopted.
6 Let me just kind of -- my point is
7 to talk a little bit about the history of the
8 Naval Ordnance Station and a little bit about the
9 history of our plan, and it did not spring full
10 bloom from Zeus on Mount Olympus.
11 This plan goes back all the way to
12 two days after BRAC '93 finished its verdict,
13 which was to keep us open, and it has progressed
14 ever since, and we have just -- very briefly, we
15 have talked to and worked with Secretary Perry,
16 Secretary Deutch, Secretary Perry, Secretary
17 Laklin, Secretary Danzi, General Clue (phonetic),
18 Secretary Gotenbaum (phonetic), Admiral Skinner,
19 Admiral Sargent, Mr. Charles, Mr. DeFalco and
20 people from Hughes and from United Defense
21 contractors about our plan for privatization, and
22 I think it's very interesting. I was listening to
23 Mayor Goldsmith a moment ago and he said the words
24 that could be taken from my mouth.

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1 I remember when Commissioner Cox
2 asked a question at your hearing in Washington of
3 the caucus at the first day of the public hearings
4 in which he asked the Navy about something along
5 the lines of privatization and about new
6 inter-servicing, and my recollection is they said
7 couldn't really get into those plans at this BRAC
8 level, at this B-SAC level but that you,
9 indicating the BRAC Commission, could, indeed,
10 review it.
11 So our plan is premised on the idea
12 that if the Navy found this very attractive, and
13 it has, every level of Navy has said it's an
14 excellent plan but we just can't do it because we
15 don't have the authority; BRAC Commission has the
16 authority, and I hope that you do.
17 Our plan, as I say, very simply
18 would do all the things which General Sullivan,
19 Admiral Kelso, General Powell said in the summer
20 of 1993 to Chairman Courter of this Commission and
21 that is start inter-servicing, start purpling, as
22 we call it, start public/private partnerships,
23 and, for pete's sake, get rid of this stuff, as
24 Admiral Stern calls it, get rid of the overhead.

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1 And, Mr. Chairman, distinguished
2 members of this panel, that is exactly what our
3 plans are, inter-servicing, public/private
4 partnership and get rid of the overhead.
5 I'll let my friends talk about the
6 plan. Let me come back to my friend, Clarence
7 Strong, again for a moment because in 1941
8 Clarence came from the Navy gun factory in
9 Washington, D.C. to Louisville, Kentucky to the
10 Naval Ordnance plant, one of seven in the nation,
11 and, as you'll see soon, it's the last of those
12 seven plants. There is no other plant.
13 And we think for that reason that
14 Clarence came to Louisville to light a candle to
15 help America prepare for the Second World War, and
16 the results of that we won the Second World War.
17 The Navy Ordnance was at the --
18 ready during the Korean War, during the Vietnam
19 War and certainly during the Gulf War, and we
20 fulfilled that purpose and had a role to play.
21 I made the point in BRAC '93 at
22 Louisville, at Columbus, and again in Washington,
23 Mr. Chairman, that whenever, the past half
24 century, the nation has made it to mobilize

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1 forward that Naval Ordnance Station has been there
2 to help in that mobilization.
3 We think that this facility full
4 service, full spectrum, life cycle activity,
5 engineering production, manufacturing,
6 prototyping, technology, that's the sort of thing
7 we need very much, not only in the Navy but in the
8 nation.
9 So, Mr. Chairman, to sum up, our
10 request to this Commission is that I accept the
11 recommendation from the Navy but reject that
12 recommendation to the extent that you order the
13 Navy, you direct the Navy Ordnance that the Navy
14 cooperate with the State of Kentucky, with the
15 City of Louisville, with the County of Jefferson
16 in implementing our plan for a government/industry
17 partnership, which will continue for the 21st
18 Century the tradition of excellence in
19 gunsmithing, which Clarence Strong and thousands
20 of men and women have created since 1941 at that
21 142-acre plot of ground on South Side Drive in
22 Louisville, Kentucky, which you visited last
23 week.
24 Mr. Chairman, we think it's a good

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1 plan. We call it the "Louisville plan." We hope
2 the BRAC Commission can adopt it.
3 CHAIRMAN DIXON: Thank you very much,
4 Congressman Mazzoli, for that excellent
5 contribution.
6 CONGRESSMAN WARD: Before we proceed,
7 Mr. Chairman, let me add a few words regarding
8 recent events at the Naval Ordnance Station.
9 As many of you may know, we have
10 significant concerns about the conflicting numbers
11 that have been used to calculate the cost of
12 closing the Naval Ordnance Station in Louisville.
13 Frankly, we don't know precisely
14 what it will cost to close the Naval Ordnance, to
15 move the critical functions and accomplish their
16 two other installations to re-equip, retrain and
17 move critical personnel and jobs, but all of us
18 here today know, without question, it will cost
19 literally hundreds of millions of taxpayer
20 dollars, regardless of the precise cost, whether
21 it's $103 million, as the Navy now has estimated
22 in BRAC '95, or $623 million, as the Navy
23 estimated in BRAC '93. There's a real question
24 that needs answered.

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1 Avoiding having to relocate the
2 work and equipment in Louisville will save
3 hundreds of million of dollars that would
4 otherwise be spent to break apart and reassemble
5 elsewhere at far lower efficiency and
6 effectiveness the work now done in Louisville.
7 Mr. Chairman, our proposal has
8 three key objectives: First, reduce the Navy's
9 infrastructure. As you see in the chart on your
10 far left, it is a considerable matter; number two,
11 protect the gun weapons system expertise now
12 resident at Louisville, as you can see from the
13 second chart, core capability; three, protect the
14 people at Naval Ordnance Station in Louisville and
15 the important contribution they make to our
16 national defense and our regional economy.
17 Specifically, we ask the Commission
18 to recommend that the Naval Ordnance Station's
19 industrial complex become the centralized Navy
20 source for gun systems as the -- excuse me -- as
21 the nation's naval gun center of excellence.
22 We propose to accomplish this
23 through a collaborative effort teaming our
24 community with the Navy and some of America's most

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1 capable defense contractors.

2 To achieve that objective, we

3 believe the Commission needs to approve a

4 recommendation that achieves at least the

5 following, and we believe that that recommendation

6 can be approved by the Commission in full

7 accordance with the language that was included in

8 the recommendation to the Commission from the

9 Navy.

10 We have had this discussion with

11 those in the Navy who were involved in writing

12 this language and they feel that their language

13 does provide the flexibility for privatization and

14 the changes which we are proposing.

15 We propose language which transfers

16 the Naval Ordnance Station from Navy ownership to

17 local government ownership. That leaves in place

18 the workload for both the Navy Gun Weapons System

19 Replacement Program and the Phaleen (phonetic)

20 product line and retains the gun systems

21 engineering support as a Navy function at the

22 center.

23 Our plan has several key

24 components. The Navy would transfer ownership of

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1 the Naval Ordnance Station industrial complex to
2 our local government for conversion to a mixed
3 industrial park.
4 The Commission would recommend that
5 first the key gun systems work continue to be
6 performed in Louisville by private defense
7 contractors and, second, the navy engineering
8 presence would remain at the new Louisville
9 center.
10 A major defense contractor, most
11 likely United Defense LP, will lease part of the
12 facility to perform gun system and gun fire
13 control systems overall and remanufacture.
14 A second major defense contractor,
15 probably Hughes Missile System Company, would
16 lease part of the facility and perform phaleen
17 (phonetic) weapons system, manufacture,
18 remanufacture and overall.
19 A defense contractor, again United
20 Defense LF is the likely candidate, would lease
21 part of the facility to perform the industrial
22 support function.
23 Finally, the defense contractor's
24 offered first right of refusal for new jobs to

1 displace naval ordnance employees, and that's very
2 important to us.
3 Mr. Chairman, your package contains
4 letters of intent from both United Defense and
5 Hughes Missile System spelling out their strong
6 interest in participating in this plan.
7 These letter, while dated last
8 week, are the culmination of months and months of
9 ongoing meetings with these contractors.
10 Obviously, we believe this proposal presents
11 manifold advantage, a win, win, win situation, if
12 you will.
13 I've asked the leaders of our local
14 government, Jefferson County Judge/Executive David
15 Armstrong, and Louisville Mayor, Jerry Abramson,
16 to outline these advantages for you.
17 First, David Armstrong.
18 PRESENTATION
19 BY
20 MR. ARMSTRONG:
21 Chairman Dixon, Members of the
22 Commission, our proposal will keep in tact the
23 proven capabilities that are unmatched anywhere in
24 America.

1 What the Navy now enjoys at
2 Louisville is an installation, extremely unique
3 facilities, equipment and literally thousands of
4 years of combined work force expertise.
5 Mr. Chairman, as you and
6 Commissioner Kling so graciously witnessed one
7 week ago today, that combination cannot be
8 duplicated at any other department of the Navy or
9 Department of Defense installation without
10 incurring tremendous relocation and preparation
11 costs both at Louisville and the receiving
12 locations.
13 With the continuing downward
14 pressure of the defense budget, we understand the
15 Navy's view. They can no longer maintain the
16 Naval Ordnance Station at Louisville as a whole
17 public naval-owned installation.
18 While it may be too expensive to
19 maintain the status quote in Louisville, it is
20 also grossly expensive to move the defense
21 industrial capacity that resides there.
22 Simply closing the installation and
23 spreading its functions around the country not
24 only is clearly cost-prohibitive but it would

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1 cause a severe irretrievable loss of the
2 disarmament system.
3 Our proposal, on the contrary,
4 supports the Secretary of the Navy's BRAC
5 recommendations reducing the Navy's infrastructure
6 by closing the Louisville facility as a Navy
7 installation.
8 USL, as an acronym, will be
9 considered a closure for the BRAC purposes under
10 this proposal. The plan by retaining most of the
11 current Navy workload at Louisville minimizes the
12 Navy's relocation costs that would otherwise be
13 necessary under the current recommendation to
14 relocate Louisville's activities, workload and
15 facilities.
16 It epitomizes the Navy's gun system
17 capacity utilization by using the country's most
18 comprehensive and capable gun facility in the
19 world.
20 As you may know, overhaul capacity
21 is more complex than it is of the new
22 manufacturing system and processes. In other
23 words, it would be relatively simple to integrate
24 new manufacturing into Louisville's current

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1 existing capabilities. It maintains and
2 centralizes and focuses all navy gun system's
3 capability and improving the depth and breadth of
4 that capability.
5 The Department of Defense and the
6 Navy gun system requirements for the foreseeable
7 future are significantly less than the combined or
8 the combination of the public/private industrial
9 capacity. In other words, we have too much stuff.
10 Besides the best industrial
11 capability, Louisville also has more than
12 sufficient capacity for all the foreseeable gun
13 system requirements.
14 It creates a new cost-effective way
15 to perform Navy and other department defense gun
16 system repairs, overhaul and manufacturing with
17 what we and others believe is a very significant
18 inter-servicing potential at this location.
19 Finally, Mr. Chairman, our plan
20 encourages public/private partnerships in the
21 defense sector, a key initiative that the Pentagon
22 and under President Clinton has directed.
23 It will produce an appropriate mix
24 of public/private responsibility and partnership

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1 that could prove to be a model for other defense
2 efforts as we strive to downsize and maintain
3 essential capabilities.
4 Mr. Chairman, three weeks ago Vice
5 Admiral George Sterner spoke to many of us here.
6 Admiral Sterner. Is the Navy C system command,
7 said the Navy simply has too much stuff, and he
8 said the local plan allows the Navy to preserve
9 some good stuff at the Naval Ordnance Station in
10 Louisville.
11 In short, by preserving the good
12 stuff at Louisville, there is a win-win situation
13 for the Navy because it receives an enhanced
14 capability at a very low cost. The defense
15 contractors would gain a broader business base.
16 As Mayor Abramson will describe in
17 a moment, our community gains significantly.
18 Thank you very much, Mr. Chairman.
19 PRESENTATION
20 BY
21 MAYOR ABRAMSON:
22 Mr. Chairman, I am Mayor Jerry
23 Abramson. Ladies and Gentlemen of the Commission,
24 thank you for the opportunity to be here. I have

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1 got to give you a little background to make sure
2 you understand this best of the breed, last of the
3 breed.
4 Don't forget Louisville is the home
5 of the Kentucky Derby, so we put things in the
6 context of the horse racing business and the
7 breeding concerns, but we are, in fact, the last
8 and we believe the best.
9 We have gone through this process
10 several times already. In 1991 we had an
11 opportunity to go through the process and they
12 restructured the facility because of its
13 importance to the Navy.
14 In 1993 we were placed on the
15 closure list. We went through this process and we
16 were taken off the closure list because of the
17 importance of this facility and the fact that it
18 was the best of the breed, but the last of its
19 kind, the last of the breed.
20 Immediately after BRAC 1993, we
21 could see that there was -- that there were clouds
22 a coming in '95 because we've been there and we
23 have done that and we understood the difficulties
24 each and every other year that seem to come our

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1 way.

2 From that day forward, we began to

3 focus on where we could respond to the needs of

4 the Navy and to the needs of this nation.

5 So we tried to assess, with the

6 help of the Navy and the Defense Department, the

7 goal of what would occur in 1995, and we found

8 that the Navy wanted to reduce its ownership of

9 infrastructure. That was the goal.

10 We found that the Navy was

11 interested in continuing Louisville as a world

12 class facility so that it could preserve the

13 critical gun maintenance and overhaul capabilities

14 for the Navy.

15 We understood as a goal that they

16 wanted to keep in place, if possible, the

17 expertise and the technologically proficient work

18 force, as well as some very sophisticated, as you,

19 Mr. Kling, and you, Mr. Chairman, saw, some

20 sophisticated facilities. If you could keep the

21 facility and proficient technologically-skilled

22 work force together, you had a win-win

23 opportunity.

24 And, finally, there was a real

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1 chance to create a Naval Gun Center of excellence
2 that could be a model in the future for cross --
3 for branches of the different arms of the service
4 to be able to inter-service and use this -- that
5 facility by other arms -- other branches.
6 Now to reduce the Navy's ownership
7 of infrastructure, which we are concerned about,
8 the city is prepared to assume ownership of 142
9 acres of the naval facility.
10 Now what you see up there on the
11 chart is the location of the naval facility. You
12 see that it's contagious to the international
13 airport, which happens to be the United Parcel
14 Service overnight hub. They're now the largest
15 employer in the Louisville area, about 12,000
16 employees. You see contiguous to the regional
17 rare rail, freight yards and you see the
18 capability of east, west, north, south interstate
19 traffic for highway truck traffic.
20 It gives us an opportunity for an
21 outstanding chance for development of a very
22 successful industrial park in support of the
23 Navy's mission, and it's so easy to see the
24 synergy that exist with the location of the

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1 facility, vis-a-vis the rail, the air, and the
2 highways.
3 Secondly, to insure that the
4 experienced, technologically-proficient work
5 force, as well as the investment, stays in place,
6 we have in your packet strong letters of
7 commitment or, let's say, interest from Hughes
8 Missile Systems, as well as United Defense LP, to
9 partner with the Navy and with Louisville to
10 insure that we can continue the outstanding
11 service of the men and women who work there with
12 the facilities that exist there to insure the
13 mission of the Navy is met.
14 We also have an opportunity in
15 terms of a goal to create a facility that will
16 become, and should become, I would submit to you,
17 an inter-service model for all the branches.
18 Fort Knox, Kentucky, is an hour
19 away. The Abrams tank -- facility at the Naval
20 Ordnance facility can interact with the Abrams
21 tank and be able to provide refurbishment work for
22 that piece of equipment, the Bradley fighting
23 gear, again Fort Campbell right down the road from
24 Louisville, the capability of having the Navy, as

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1 well as the Army, the contract for the Marines six
2 or seven years of work to be able to refurbish the
3 vehicles that was used in Somalia and the Persian
4 Gulf. Those also could be used as an opportunity
5 for inter-servicing in our community.
6 The bottom line is we have been
7 working on this for several years. No one should
8 walk away from this proposal thinking that it was
9 something that came to our minds a week-and-half
10 ago, a month-and-a-half ago or a year ago. It's
11 been something that we began talking with under
12 Secretary Danzi a year-and-a-half ago. It's
13 something that -- a proposal that we have worked
14 with the Assistant Secretary Robert Perry who is
15 the Assistant Secretary for Installation and
16 Environment, and he feels this is a very positive
17 way and approach for the Navy to be successful and
18 to provide an opportunity for keeping our country
19 strong.
20 The Navy Depot Assistant Secretary
21 Charles DeFalco got to the point where we met him
22 enough his secretary says, hello, Jerry, when I
23 walk in. We have got -- excuse me. We have week
24 after week, month after month, whether its the

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1 county judge, whether it's former Congressman
2 Green, whether it's Congressman Ward, we have been
3 working with the Navy to understand their goals
4 and to fashion for them what they, in fact, are
5 going to need, and then when you get the Navy
6 directly, Vice Admiral Sterner with their
7 caricature or their focus of the opportunities at
8 Naval Ordnance Louisville as a collaboration among
9 the city with the defense contractors and the Navy
10 providing an opportunity for them to grow, we
11 would submit to you that what you see up here
12 provides the Navy with its goals, we meet each and
13 every one of them, and we think it provides a
14 great opportunity for the future of this country.
15 When you speak in terms of
16 technologically proficient and skilled work force
17 that stay in place and with the private businesses
18 joining with us in a partnership, it's a triple
19 win, as Congressman Ward said.
20 We're prepared to do that. We are
21 prepared to implement that. With your guidance
22 and with your support, we'll be able to do that
23 sooner than later. We hope that you support our
24 efforts on this, and we thank you for your time.

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1 CHAIRMAN DIXON: Thank you, Mr. Mayor.
2 MR. WARD: Now, Mr. Chairman, it's my
3 pleasure to introduce our Lieutenant Governor of
4 the Commonwealth of Kentucky, Paul Patton.
5 GOVERNOR PATTON: Thank you, Congressman
6 Ward.
7 CHAIRMAN DIXON: Governor, let me say we are
8 delighted to have you. As you know, your governor
9 was at your presentation and we appreciate the
10 fact that your entire state administration has
11 supported this view.
12 PRESENTATION
13 BY
14 LIEUTENANT GOVERNOR PATTON:
15 That's the message that he wanted
16 me to reiterate in front of the Commission. You
17 refer to your visit last week, and the governor
18 was very pleased to be able to devote the time for
19 that. Unfortunately, today was just an
20 impossibility for him, so he asked me to come and
21 deliver to you his personal official letter of
22 endorsement of this project, which should be in
23 your packets, and my comments are also there.
24 My message to you today is that the

1 entire leadership of Kentucky enthusiastically
2 supports the plan that you adhere here today.
3 It is totally, totally logical and
4 doable to privatize the operations in local rather
5 than see those state-of-the-art facilities and the
6 quality work being done there abandoned,
7 dismantled and disbursed to other areas.
8 While, as Congressman Ward, I don't
9 know the exact cost of closing the facility, I do
10 know, since I'm a former member of the -- or head
11 of the cabinet of Renomination Development of
12 Kentucky, that such closings are very, very
13 suspicious indeed. Beyond the expense, the U.S.
14 Navy would lose a highly-trained,
15 highly-efficient, and highly-motivated work force
16 if Louisville operations were shut down and moved
17 to other locations.
18 Every one of those jobs is
19 important to us. While maintaining the status quo
20 may not be viable, as apparently it is not,
21 privatizing the operation would maintain the work,
22 preserve the expertise we built in Louisville,
23 save perhaps hundreds, perhaps millions of dollars
24 in closings and relocation costs and create a

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1 model defense-related industrial park that would
2 be second to none in the world.
3 In closing, let first me assure you
4 that the executive and legislative leadership of
5 the State of Kentucky are committed to seeing that
6 the privatization of Louisville's Naval Ordnance
7 facility is successful. We stand ready to work
8 with you, the Navy, the Department of Defense, and
9 our good colleagues on this team to make
10 privatization in Louisville work.
11 Again. Thank you for this
12 opportunity, and if you will excuse me, I have a
13 plane to catch.
14 CHAIRMAN DIXON: Well, thank you very much,
15 Governor Patton.
16 CONGRESSMAN WARD: Mr. Chairman, as you can
17 see, we have widespread support among the
18 government and community leaders, but this support
19 would be nothing if we had not been every step of
20 the way making sure that our plans and our
21 proposals were in accordance with our long-term
22 goal.
23 Our goal is very simple, to keep
24 the work, to keep the people, to keep the families

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1 who rely on the ordnance and who have dedicated
2 their lives to the service of their country in
3 tact and in place.
4 To that end, I'm very glad to
5 introduce the president of the International
6 Brotherhood of Electrical and Aerospace Workers,
7 Lodge No. 830, who represent just about a third of
8 the employees at the plant. This is Larry Craig.
9 CHAIRMAN DIXON: Mr. Craig, we are happy to
10 have you, sir.
11 PRESENTATION
12 BY
13 MR. CRAIG:
14 Thank you. Chairman Dixon,
15 distinguish members of the Base Closure
16 Realignment Commission, good afternoon.
17 I bring you greetings from the
18 International Association of Machinists and
19 Aerospace Workers, International President, George
20 J. Corpeus.
21 The IAM represents over one-half
22 million members throughout the United States,
23 Canada and Panama, including the bargaining units
24 at the Naval Ordnance Station at Louisville.

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1 Under the leadership of President
2 Corpeus, the machinist union understands full well
3 that true job security in today's global market
4 place and a highly competitive shrinking U.S.
5 Industrial workplace lay squarely in our ability
6 as workers to compete.
7 The IAM supports true partnership
8 with employers to develop high-performance work
9 organizations that are efficient and productive
10 producing high quality while paying good wages and
11 benefits.
12 Machinist Local 830 supports the
13 plan presented to you today that privatizes our
14 Navy facility as an alternative to closure. It's
15 a good deal, good for the community, keeping jobs
16 in the community, good for the Navy retaining
17 access to the skills and abilities of a highly
18 specialized work force, good for the workers who
19 come out of a base closure process much better off
20 than a lot of our brothers and sisters across the
21 nation who are in the same boat. Most will have
22 jobs doing the same work with comparable wages.
23 While we will be sadden over our
24 separation from the civil service, we look forward

1 to all the possibilities in being part of a
2 growing private concern still working on our
3 nation's armaments while at the same time
4 participating in the defense conversion through
5 diversification and to other peacetime products.
6 On behalf of the bargaining unit
7 employees of the Naval Ordnance Station in
8 Louisville, I ask that you give this plan your
9 fullest consideration. Thank you.
10 CHAIRMAN DIXON: Thank you very much,
11 Mr. Craig.
12 CONGRESSMAN WARD: Thank you, Larry.
13 Finally, Mr. Chairman, we know that
14 all of the difficult work you are doing must
15 ultimately produce decisions that meet with the
16 approval of the President and the Congress.
17 I note that you have had a long day
18 and, in closing, I would simply like to leave you
19 with key thoughts about our effort to save vital
20 work and jobs at the Naval Ordnance.
21 First, and foremost, our proposal
22 satisfies the mandate of the Commission to reduce
23 defense infrastructure. It insures continued
24 world class work on many of the Navy's most

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1 critical weapons systems. It eliminates the need
2 to dismantle and disburse Naval Ordnance proven
3 effective capabilities. This will both save money
4 and serve our nation's future defense needs.
5 Finally, it gives us the
6 opportunity to prove to the Pentagon, the
7 Congress, the President, and the nation that
8 Louisville's Naval Gun Center of excellence can be
9 a model for others to follow.
10 To achieve that objective, we
11 believe the Commission must approve a
12 recommendation that achieves at least the
13 following, and, again, this, we are told, is in
14 keeping with the language that was delivered to
15 you by the Pentagon.
16 This transfers Naval Ordnance
17 Stations from Navy ownership to local government
18 ownership. That leaves in place the workload for
19 both the Navy Gun Weapons System Replacement
20 Program and the Phaleen product line, retain to
21 the gun systems engineering support as a Navy
22 function at the center. These are the elements
23 that we are looking to have included in your
24 language.

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1 I want to mention, again, that we
2 have heard from the Department of the Navy with
3 regard to our motion and have from them a letter
4 that we have included as part of our testimony and
5 also have a number of other letters, such as the
6 one that Lieutenant Governor Patton referred to
7 from Governor Jones, which we will be submitting
8 for the record and ask you to hereby accept as
9 part of the record.
10 With this proposal, Louisville can
11 help achieve, if I may use the Pentagon's own
12 words, the readiness and modernization we need
13 within the budget we have.
14 Thank you, again, Mr. Chairman, and
15 we welcome any questions that you or members of
16 the Commission may have.
17 CHAIRMAN DIXON: Well, thank you, Congressman
18 Ward. Of course, as I said previously, on the
19 occasion that my distinguished colleague,
20 Mr. Kling and I visited with you in Louisville,
21 your distinguished senior senator, the democratic
22 whip, formerly my boss when I was a majority chief
23 deputy whip, when he was a majority whip, has
24 talked to me on a number of occasions about this,

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1 as has your junior senator, Senator Mitch
2 McConnell. So we want you to know that all
3 representatives of your state have been active in
4 support of your position.
5 Do any of my colleagues have any
6 questions of these distinguished gentlemen?
7 (No verbal response.)
8 Well, we thank you very much for
9 this very important contribution and for your
10 efforts.
11 CONGRESSMAN WARD: Thank you.
12 CHAIRMAN DIXON: Thank you all.
13 (A brief pause.)
14 Ladies and Gentlemen, we do have
15 some disquieting news I'm afraid. My old friend,
16 the distinguished senior senator from Michigan,
17 who's served on the Armed Services Committee with
18 me and is very much an expert in that field, I
19 understand is unable to get here due to the
20 weather in Michigan or the weather -- I should not
21 blame Michigan for this -- the weather somewhere,
22 the weather somewhere.
23 I would not want to point the
24 finger at any state or any region but, in any

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1 event, I'm awfully sorry to hear that Senator Carl
2 Levin cannot be here. He had talked to me about
3 this issue, may I say, in Washington and I do want
4 to say to everybody here from Michigan that
5 Senator Levin has talked to me about this. I
6 understand someone will read his prepared
7 statement.
8 May I also say that your
9 distinguished whip, Congressman David Bonior, from
10 the 10th District, talked to me at length on the
11 telephone. He is an old friend. When I was chief
12 deputy whip in the United States Senate, he was
13 chief deputy whip in the House of the majority in
14 those days, and so he's an old friend and has
15 expressed his view.
16 I have here his letter. To the
17 extent that it is not read by you folks or alluded
18 to, may I say, it will be reproduced in the
19 record. The congressman was very sorry he had a
20 commitment which prevented him from being here
21 and, as a man who travels a good deal now, and did
22 in the past, I can appreciate the problems that
23 all of us have when the weather won't cooperate,
24 and so we are awfully sorry that Senator Carl

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1 Levin, who's highly regarded by all of us and
2 recognized for his expertise in this area, can't
3 be here.
4 Now let's see if I have this
5 right. Now, as I understand the schedule as it is
6 now suggested, Ms. Candy Miller, the Secretary
7 State of Milwaukee --
8 MS. MILLER: Yes.
9 CHAIRMAN DIXON: -- will make a contribution,
10 then State Senator Ken DeBeaussaert.
11 MS. MILLER: DeBeaussaert.
12 CHAIRMAN DIXON: DeBeaussaert.
13 And then Mr. Robert Carey reading
14 Senator Abraham's statement will make a statement,
15 and may I say that Senator Abraham as well has
16 expressed to me his concern about this matter. We
17 are indebted for his contribution, and then
18 Mr. Ben Polselli, UAW Local President, that is in
19 respect to the Detroit Arsenal, and then with the
20 Selfridge Army Garrison, Colonel Leo Williams.
21 Senator, you will again make a contribution to
22 State Representative Tracey Yokich.
23 CHAIRMAN DIXON: Is Tracey --
24 MS. YOKICH: Yes.

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1 CHAIRMAN DIXON: Oh, Tracey -- thank you. Do
2 you care to move up. We are waiting for the next
3 panel. And Ms. Pam Weeks, Harrison Township
4 supervisor. Is that the correct order?
5 MS. WEEKS: Yes.
6 CHAIRMAN DIXON: Now we are, of course,
7 pleased to welcome the distinguished Secretary of
8 State, an office I hope you will note I once held.
9 MS. MILLER: No, I was not aware of it.
10 CHAIRMAN DIXON: I was Secretary of State of
11 Illinois.
12 MS. MILLER: I like you better already. I
13 always liked you.
14 (Laughter.)
15 CHAIRMAN DIXON: Ms. Candice Miller,
16 Secretary of the great State of Michigan.
17 MS. MILLER: Thank you, Mr. Chairman.
18 CHAIRMAN DIXON: Wait a minute.
19 (Laughter.)
20 Don't start the clock. I blow this
21 every time. Okay. Here we go. Will you all
22 stand and raise your right hand. How about the
23 next group and we'll do it just once.
24 (Witnesses sworn.)

1 I thank you. I thank you all.
2 Secretary of State, Candice
3 Miller.
4 PRESENTATION
5 BY
6 SECRETARY OF STATE MILLER:
7 Chairman Dixon and distinguished
8 Commission Members, on behalf of Governor John
9 Engler and all of the citizens of the great State
10 of Michigan, I'm here today representing
11 Michigan's vehement opposition to the
12 recommendation to close the Army garrison at
13 Selfridge International Guard Base.
14 As Michigan's Secretary of State, I
15 believe I bring a unique background and clear
16 perspective of the impact these proposals will
17 have.
18 On a professional level, I have
19 served for 12 years as the township supervisor of
20 Harrison Township, the community in which the base
21 is located. I have served for two years as the
22 Macon County Treasurer, the county in which the
23 base is located.
24 Additionally, I have been a member

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1 of the Selfridge Community Council, the civilian
2 support group for the base for 15 years.
3 On a personal level, my husband,
4 Colonel Donald Miller, is a former base commander,
5 after having served for 28 years in both the Air
6 Force and the Air National Guard.
7 I believe that I am intimately
8 familiar with the structure, as well as the
9 mission, of all of the military components
10 represented at this facility, and today I ask you
11 to reject the recommendation of the Secretary of
12 Defense in regard to the proposed closure of the
13 Army garrison at Selfridge.
14 To be brutally frank, the
15 recommendation was developed in a vacuum. The
16 factors that were used in the equation were
17 erroneous and the information advanced to you is
18 neither clear nor complete.
19 The announcement of the Selfridge
20 Army Garrison recommendation came as a complete
21 surprise to not only the civilian and political
22 leadership in Michigan, but, most importantly, to
23 the other military services who currently live in
24 this housing. They were stunned because no one

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1 ever asked them what they thought or how they
2 would house their people or how they would be
3 expected to pay to pick up the pieces.
4 One of the published primary goals
5 of the Department of Defense is that it should
6 make maximum use of common support assets as well
7 as share these assets whenever possible, because
8 of the very obvious economic advantages. Yet,
9 here we have an installation that the DOD should
10 be pointing to as a role model of success and
11 instead the Army is making a bizarre
12 recommendation to close this garrison for what
13 they say makes good economic sense.
14 The recommendation that you are
15 being asked to consider states that 329 families
16 will be displaced and that these families are to
17 seek suitable housing in the local economy.
18 The reality is that in addition to
19 the 329 Army families, 90 Navy families, 80 Air
20 Force families, 72 Marine families, and 123 Coast
21 Guard families will also be displaced, yet,
22 absolutely no thought or suggestions to upward
23 budget revisions had been given to this very real
24 and very overlooked part of the equation. Why?

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1 Because as I stated earlier, the Army never
2 consulted with any of the other affected military
3 units. These numbers were current as of last
4 week.
5 And when the assigned
6 representative of this Commission visited
7 Selfridge we can easily prove these are very real
8 human beings and they simply were not included in
9 the COBRA model used by the Army when they
10 developed this report.
11 Subsequent speakers will touch on
12 some of the other overlooked factors in this
13 report, such as an upfront cost of $5 million,
14 such as an infrastructure cost that will have to
15 be picked up by some other service if the garrison
16 closes, that the housing allowance figure used in
17 the Army's equation has been proposed by Secretary
18 Perry to be increased to reflect a true cost of
19 housing in the Detroit area.
20 How ironic that both President
21 Clinton and Secretary Perry have publicly stated
22 their concern for improving the quality of life
23 for our military personnel and, yet, this proposal
24 will effectively create a ghost town for those

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1 that will remain.

2 I realize that this Commission must

3 listen to and attempt to evaluate fairly the

4 impact of defense cutbacks on our nation as a

5 whole.

6 I emphasis the word "fairly"

7 because the State of Michigan has clearly already

8 shouldered an unfair burden of defense cutbacks.

9 We, in Michigan, have begun to ask the question

10 has the Department of Defense adopted a strategy

11 which represents a contract to close Michigan?

12 Just four short years ago we were

13 host to three major federal military

14 installations. In 1991 Wurtsmith Air Force Base

15 was closed. In 1993 K.I. Sawyer was closed.

16 If the Selfridge Garrison and the

17 Army Tank Plant close, Michigan, the eighth

18 largest state in our nation, will have the dubious

19 distinction of being dead last in terms of defense

20 dollars. Is this how the DOD defines fair?

21 Recognizing how difficult your task

22 of fairly evaluating this recommendation is,

23 please consider one additional bit of information

24 in regard to the State of Michigan. It should be

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1 noted that as a result of the cutbacks already
2 borne by Michigan, the only remaining commissary,
3 medical clinic and other support facilities used
4 by the over one million veterans and military
5 retirees who live in Michigan are located at
6 Selfridge.
7 Is it our intent to tell these
8 brave men and women that the only way for them to
9 avail themselves of the benefits that they so
10 rightfully deserve is to drive to another state?
11 As we restructure our national
12 defense capabilities to adjust to a changing
13 world, it is certainly appropriate to remember the
14 caveat that we made with the individuals who have
15 protected our ability to even have this
16 conversation today.
17 In the case of the proposed closure
18 of the Selfridge Garrison, I think we can
19 accurately categorize this recommendation as an
20 incorrect representation to this Commission.
21 Mr. Chairman and Member
22 Commissioners, once again, I ask you to reject
23 this recommendation as it will clearly have a
24 negative overall economic impact on the Department

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1 of Defense in clear contrast to our proposed
2 collective goal. Thank you very much.
3 CHAIRMAN DIXON: Thank you very much,
4 Secretary Miller, for that excellent
5 presentation. We are indebted to you and we are
6 honored that Senator Ken DeBeaussaert will be kind
7 enough to read Senator Levin's statement to us.
8 SENATOR DeBEAUSSAERT: Thank you very much.
9 I appreciate having this opportunity to read
10 Senator Levin's statement and appreciate the fact
11 that you mentioned my congressman's letter that
12 has been, I believe, distributed for the
13 Commission's review.
14 CHAIRMAN DIXON: And it is in the record,
15 Senator.
16 PRESENTATION
17 BY
18 SENATOR DeBEAUSSAERT:
19 Senator Levin's statement reads as
20 follows: "Mr. Chairman and Members of the
21 Commission, I thank you for the opportunity to
22 speak today, but I am distressed to be in this
23 position again.
24 I have supported the base closure

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1 process because it is necessary, but it must be
2 fair. Unfortunately, the BRAC process has been
3 unfair to Michigan, and my state has paid dearly
4 for defense downsizing.
5 Michigan has now lost all three of
6 its active Air Force bases; Kincheloe, Wurtsmith
7 and K.I. Sawyer. All were in small, rural
8 communities where closure caused huge economic
9 distress.
10 Michigan has lost 22 percent of its
11 DOD personnel from the three rounds of base
12 closures, the seventh highest percentage in the
13 nation, while 19 states have actually gained
14 personnel from realignments associated with base
15 closures.
16 Of course, military value should be
17 the primary closure consideration in selecting
18 bases for closure, but cumulative economic impact
19 is also a criterion. Everyone pays lip service to
20 cumulative economic impact, but for Michigan the
21 impacts just keep on coming.
22 Now the Pentagon's 1995 BRAC
23 recommendation proposes more closures in Michigan,
24 including the remaining symbol of the Arsenal of

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1 Democracy that brought the U.S. victory in World
2 War II, the Detroit Arsenal Tank Plant and the
3 Selfridge Army Garrison.
4 I would point out during the last
5 base closure round, this Commission wisely
6 reversed the Pentagon's recommendation to close
7 the Battle Creek Federal Center and save that
8 facility. The result is a growing activity.
9 On the issue of the Detroit Arsenal
10 Tank Plant, the Army has made a fundamental error
11 in its claim that closing the Detroit Tank Plant
12 would have no impact on any jobs. That is wrong.
13 There will be about 150 workers at the plant when
14 the current contract expires.
15 The Army is hiding behind that
16 contract expiration, instead of closure, as the
17 cause for people losing their jobs, but by
18 recommending closure, the Army is preventing
19 another contract from being entered into there, as
20 contract after contract after contract has been
21 entered into in the past, and the Army knows there
22 will be more of that work continuing for the
23 foreseeable future. So it will have to be done
24 elsewhere.

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1 By closing the tank plant, the Army
2 would be moving a production contract for tank gun
3 mounts from the private sector to the public
4 sector. That is contrary to U.S. Government
5 policy contained in OMB Circular A-76 and runs
6 exactly counter to where we are going -- move from
7 the government into the private sector.
8 The Army's projected savings from
9 closing the tank plant are flawed. They estimate
10 the cost at $1.4 million, based on the standard
11 BRAC formula of $1.25 per square foot. It could
12 cost millions more if any of the equipment needs
13 to be moved, but the Army doesn't know what it
14 cost because they didn't study it before they
15 recommended closure.
16 The Army appointed a cost
17 estimating group after they recommended the
18 closure to study the true closing costs. The group
19 assumes that equipment will be moved contrary to
20 the BRAC assumption before you.
21 The bottom line is that jobs will
22 be lost, real jobs. The bottom line also is that
23 it will cost more to close the tank plant than the
24 Army claims.

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1 Selfridge Air National Guard Base
2 is the only truly joint base in the entire United
3 States. All five military services are present
4 there, including the Coast Guard. The Selfridge
5 community is justifiably proud of being a "purple"
6 or joint installation that other facilities should
7 strive to emulate.
8 Assistant Secretary of Defense,
9 Deborah Lee, called Selfridge a "model" and said
10 she thinks "we need more bases like it with all of
11 the components pulling together," end quote.
12 The recommendation before you is
13 unusual in that it proposes to keep the base open
14 but remove support from the base. This is a case
15 of the Army looking through green-colored glasses
16 in a purple world.
17 The Army is looking only at its own
18 slice of Selfridge and ignoring the impact of
19 closing the Army Garrison and the other services
20 it supports there and the costs they will have to
21 pay.
22 This recommendation is based on a
23 shell game: What looks like a savings to the Army
24 will be a cost to other services. It clearly

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1 would not result in the savings the Army claims.
2 It would, however, cause a significant degradation
3 in quality of life, at a minimum, and could impair
4 the ability of the base to operate. It raises too
5 many important and unanswered questions to accept
6 the recommendation.
7 Some of the activity the Army wants
8 to stop at Selfridge must, by military policy,
9 continue if the base is to continue functioning.
10 If the Army doesn't pay for these services,
11 another DOD component will have to. That means
12 there won't be savings to the taxpayers for those
13 continuing functions, like security and fire
14 protection, medical clinic, child care, education
15 center, dining facilities, chapel and fitness
16 facilities.
17 The same is true with housing. The
18 Army claims savings from not operating,
19 maintaining the base housing but only calculated
20 cost of moving Army personnel from that housing
21 out into the civilian economy. It did not
22 calculate the cost of housing allowances required
23 for the other service personnel who would have to
24 move off base if the housing is closed. That is a

1 difference of about $4 million per year from an
2 estimated annual savings of $10 million.
3 Besides housing, if the Army
4 garrison were closed, it would have serious
5 consequences for the base: no snow removal for
6 part of the base, no medical clinic operating
7 during the week, no maintenance support for
8 buildings remaining open, including the commissary
9 and base exchange. Most of these functions are
10 essential for the base to operate and would have
11 to be paid for by another DOD component.
12 Although required by the BRAC
13 process, it appears there was no cross-service
14 review of this recommended closure. No BRAC
15 recommended base requires cross-service review
16 more than Selfridge.
17 If the Army garrison is closed at
18 Selfridge, the other services will remain and will
19 have to spend money to keep the base running and
20 maintain morale.
21 The impact on quality of life
22 should be put in context. Last fall the President
23 added $2.7 billion to the defense budget for
24 programs to improve the quality of life of our

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1 military personnel. One of the key investment
2 areas is in military family housing. The
3 Secretary of Defense has made it clear that
4 quality of life issues are at the top of his
5 priority list for military readiness and
6 effectiveness.
7 This recommendation is 180 degrees
8 off course with current DOD policy emphasizing
9 joint facilities. DOD policy for BRAC 95 is
10 clear.
11 It is DOD policy to make maximum
12 use of common support assets. DOD component
13 should, throughout the BRAC 95 analysis process,
14 look for cross-service or intra-service
15 opportunities to share assets and look for
16 opportunities to rely on a single military
17 department for support.
18 You couldn't find a better example
19 of this policy in action than Selfridge. To wreck
20 this cooperation among the services would be
21 ludicrous. It will cost money and morale.
22 Mr. Chairman, this math is the math
23 of the old days when each service cared only about
24 its own affairs and ignored the other services. It

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1 is time for new math. The taxpayers have to pay
2 the bill for all of the services. Thank you.
3 CHAIRMAN DIXON: Thank you, Senator. That
4 was very eloquently done. Senator Carl Levin is
5 indebted to you, as are we. You have a minute
6 remaining. Would you like to make a brief remark
7 of your own, Senator? I know you'll be on again
8 later.
9 SENATOR DeBEAUSSAERT: I will as it relates to
10 Selfridge, in particular, in my local district. I
11 notice, as well as the congressman has expressed
12 some serious concerns, about the housing issue and
13 I believe he's had some conversation with you
14 about that, and we welcome the opportunity for the
15 visiting Commissioners to see the existing housing
16 on our base and see what alternatives might be
17 available and to review the entirety of the
18 proposal before us.
19 CHAIRMAN DIXON: Thank you very much,
20 Senator, for those remarks.
21 We are pleased now to hear from
22 Mr. Robert Carey, I believe reading Senator
23 Abraham's statement.
24 Is that correct, Mr. Carey?

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1 MR. CAREY: Yes. I'm a member of Senator
2 Abraham's staff.
3 CHAIRMAN DIXON: We are delighted to have
4 you. Our regards to the Senator.
5 PRESENTATION
6 BY
7 MR. CAREY:
8 I thank you. The statement of
9 Senator Abraham we wish to have read as
10 follows: "Mr. Chairman and Commissioners, I thank
11 you for this opportunity to discuss the impact of
12 the Base Realignment and Closure process on the
13 State of Michigan.
14 I have serious concerns about the
15 process by which these proposals were developed,
16 and I do not believe the interests of the
17 taxpayer, the Department of Defense, nor the State
18 of Michigan are served by their execution.
19 I recommend you not adopt these
20 recommendations and preserve these installations
21 for the militarily necessary purpose they serve.
22 Let me first address the proposal
23 to close the Tank Automotive and Armaments Command
24 Support Activity, otherwise known as TACOMSA, at

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1 Selfridge Air National Guard Base.

2 In my view, Selfridge is unique to

3 the U.S. Military as a facility that supports all

4 five uniformed services in addition to the

5 National Guard. Although I could expound on the

6 military utility of Selfridge, the base, as a

7 whole, is not slated for closure, only TACOMSA.

8 To that end, I wish to focus attention on the

9 issues I believe have not been fully addressed by

10 this proposal.

11 First, the Army suggests the

12 closure is justified because TACOMSA, and I

13 quote, "exists primarily to provide housing

14 activities, predominantly Detroit Arsenal, located

15 in the immediate area, although such support can

16 be provided through a less costly alternative,

17 specifically, commercial housing, on the local

18 economy for military personnel using Variable

19 Housing Allowance/Basic Allowance for quarters and

20 that closure avoids the cost of continued

21 operation and maintenance of unnecessary support

22 facilities. Mr. Chairman, I disagree with both of

23 those findings.

24 The proposal notes that TACOMSA

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1 housing is only 35 percent occupied and that
2 moving the service families into the local economy
3 will save $4.8 million per year. However, I
4 believe absent is an accounting for the other
5 service families living in TACOMSA housing.
6 It is true Army personnel only
7 occupy 35 percent of the total housing available.
8 But due to Selfridge's joint nature, Navy, Marine
9 Corps, Air Force and National Guard service
10 families bring the total habitable unit occupancy
11 above 95 percent.
12 Furthermore, because of the
13 military housing appropriation process, the Army
14 is not reimbursed by the other miliary services
15 for their personnel occupying Army housing. So
16 although such a move may reduce Army expenditures,
17 total Department of Defense expenditures will not
18 be considerably less. Let me focus attention on
19 these specific numbers.
20 The suggested savings to the Army
21 is over $6.063 million per year in family housing
22 operations costs. However, TACOMSA Army family
23 housing costs, as provided by the TACOMSA staff,
24 are $5.4557 million per year.

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1 Six hundred ninety-two families
2 currently occupy TACOMSA housing units. With the
3 elimination of the two TACOMSA military billets,
4 moving the 690 military families into the local
5 economy will cost $5.575 million per year, an
6 increase of almost $120,000 per year.
7 What is less consistent in these
8 calculations is that the annual operating costs
9 have apparently been overstated by over
10 half-a-million dollars, while the annual costs of
11 housing the service families on the economy were
12 understated by $4.293 million.
13 In short, I believe the federal
14 government may spend more money by moving the
15 service families at Selfridge onto the economy.
16 TACOMSA provides much more,
17 however, than on-base housing. Because the
18 National Guard does not usually provide morale,
19 welfare and recreation or family support services,
20 unless specifically authorized, TACOMSA, as a
21 tenant regular miliary command, has provided these
22 functions at Selfridge.
23 TACOMSA is singularly responsible
24 for the operation and administration of all

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1 morale, welfare, and recreation activities and
2 facilities, while it also provides the maintenance
3 and base support for all non-operational
4 facilities on base.
5 To my knowledge, 60 to 65 percent
6 of all TACOMSA work is to support these
7 non-housing facilities, such as the Exchange, the
8 commissary and the clubs.
9 But the closing of TACOMSA would
10 not necessary mean the closing of these
11 facilities. Although the military families would
12 move off-base, they would still be assigned in and
13 around Selfridge.
14 Correspondingly, the need for the
15 support services TACOMSA has supported and
16 maintained may still be needed. It does not
17 matter if TACOMSA provides that support. The fact
18 of the matter is, some department, agency or
19 organization will be needed to provide that
20 support. Therefore, the proposed savings of
21 almost $1.4 million annually in operations and
22 maintenance and $2.806 million annually in
23 civilian salaries, would evaporate.
24 Such functions as the woodcraft

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1 shop or Boy Scouts may cease, but the need for
2 maintenance on the exchange and commissary or the
3 administration of such core MWR functions as the
4 fitness center and the clubs, will continue.
5 This highlights the inconsistency
6 of the COBRA cost model data with the savings
7 claims. The proposal narrative states 57 military
8 and 555 civilian/contractor positions will be
9 eliminated.
10 The COBRA Realignment Summary,
11 however, states 19 miliary and 61 civilian
12 positions will be eliminated, while 268 military
13 and 81 civilian positions will be realigned.
14 From these reductions, over $2.8
15 million in civilian salaries will be saved
16 annually, while $735,000 will be saved annually in
17 military salaries. This equates to an average
18 civilian salary of $46,000 and an average enlisted
19 miliary salary of $31,000, both 50-100 percent
20 above the average. This also overlooks the fact
21 that TACOMSA only has 20 miliary personnel
22 assigned.
23 The aforementioned illustrates how
24 the TACOMSA proposal appears incomplete. In my

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1 investigation, I have not found any indication
2 that the other services were advised of this
3 proposal, nor was their opinion considered.
4 Furthermore, the claims in the
5 proposal narrative do not follow through in the
6 COBRA cost accounting, while the COBRA cost
7 assumptions do not match the actual costs
8 experienced at Selfridge.
9 By my estimation, the federal
10 government would not save any money on housing
11 costs but would continue to spend upwards of $7
12 million per year for base operations and
13 maintenance and $2.5 million per year for MWR
14 activities.
15 I further belief the federal
16 government would only save these expeditures by
17 the elimination of Selfridge, a proposal that has
18 not been put forth by the National Guard.
19 I understand these figures I've
20 presented today calculated from actual TACOMSA
21 data do not correspond to the COBRA Total
22 Appropriations Detail Report by either line item
23 or amount.
24 My staff, in close coordination

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1 with the staffs of my Michigan delegation
2 colleagues, have found these inconsistencies
3 throughout the proposal's analysis.
4 I, therefore, request that your
5 staff fully analyze the source for the proposal's
6 data, the process by which it was calculated, and
7 the conclusions to which it came. I believe that
8 you will find TACOMSA to be cost-effective and
9 militarily justified.
10 I also wish to discuss the Army's
11 proposal to close the Detroit Arsenal Tank Plant.
12 The proposal narrative asserts there would be no
13 impact as no military or civilian personnel
14 currently working at the facility. However the
15 Tank Automotive and Armaments Command, the tank
16 plant's parent command, states 41 defense logistic
17 agency personnel, two army military and 149
18 General Dynamics land system contractor personnel
19 work in the facility producing gun mounts and
20 related parts for the M1 tank.
21 Furthermore, the tank automatic
22 command declared to me on 27 March, "If the
23 Detroit Arsenal Tank Plant, DATP, closes, 100
24 percent of the gun mounts would be produced by

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1 Rock Island Arsenal, RIA.

2 It would not be cost-effective to

3 move the equipment when the capability to produce

4 the required 10 per month, or less, currently

5 exists at RIA. If DATP closed, 149 General

6 Dynamics land systems employees will be laid off.

7 There appears to be wide disparity

8 between the analysis and the actual impact of such

9 a move. Given that the cost of moving the tank

10 plant equipment in the BRAC 91 process was around

11 $150 million, I do not believe the efficacy or the

12 full cost of this proposal has been fully

13 considered.

14 What is also of concern is the

15 apparent resignation to accept Rock Island Arsenal

16 as the sole source supplier of these tank parts

17 when Department of Defense policy is clearly to

18 encourage private sector production over public

19 agency production.

20 Mr. Chairman and Members of the

21 Commission, I believe the analysis used to justify

22 these proposals is insufficient. I believe the

23 savings expected have been consistently

24 overstated, the costs incurred consistently

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1 understated, and vital economic impact data
2 grossly overlooked.
3 I do not believe these proposals
4 have been fully developed and are not in the best
5 interests of the U.S. Army or the Department of
6 Defense.
7 I, therefore, make my strongest
8 petition that you not accept these proposals by
9 the Department of Defense. Thank you.
10 CHAIRMAN DIXON: Thank you, Mr. Carey, for
11 that very excellent presentation of the position
12 of Senator Abraham. We are indebted to you, sir,
13 as well as your distinguished senator for that
14 contribution.
15 And I also would ask that the
16 record show that we have received an excellent
17 letter dated April 11th from the distinguished
18 congressman from the 12th District, Sander M.
19 Levin, an old friend of mine, asking that we place
20 his statement in the record, and that will be
21 done.
22 And we are pleased to recognize
23 Mr. Ben Polselli, the UAW local president, and,
24 Mr. Polselli, will Mr. Coakley be also making a

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1 contribution?

2 MR. POLSELLI: No, Mr. Chairman. We are

3 going to combine our time.

4 CHAIRMAN DIXON: We are delighted to have

5 you, sir, and we are delighted to have your

6 comments.

7 PRESENTATION

8 BY

9 MR. POLSELLI:

10 Thank you very much. Good

11 afternoon. My name is Ben Polselli and I am the

12 president of UAW Local 1200, representing the

13 hourly work force of the Detroit Army Tank Plant,

14 and I'm speaking on behalf of UAW and its

15 represented work force. I want to thank all of

16 you for the opportunity to speak before this body.

17 You each have before you a packet

18 of information and facts, which we feel states

19 ample cause for you to come to only one

20 conclusion, and that is to bring all the gun work

21 from Rock Island's arsenal back to the Army Tank

22 Plant.

23 Time restraints prohibit me from

24 citing every argument to be made on our behalf but

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1 we can speak on a few key items which I
2 highlighted.
3 First I'd like to refer to
4 pertinent provisions of an important document in
5 your packet entitled "Office of Management and
6 Budget Circular No. A-76, Revised."
7 Its purpose: This circular
8 establishes federal policy regarding the
9 performance of commercial activities. The
10 supplement to the circular sets forth procedures
11 for determining whether commercial activities
12 should be performed under contract with commercial
13 sources or in-house using government facilities
14 and personnel.
15 Paragraph 4 of the circular starts
16 with the most important sentence a private citizen
17 could ever say to this Commission, and that
18 is, "In the process of governing, the government
19 should not compete with its citizens."
20 In view of the above, is the army
21 changing government policy by taking work away
22 from private sector employees at government-owned
23 contractor-operated facilities and putting that
24 work into depots and arsenals staffed with

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1 government employees? We feel they are.
2 Paragraph 6(b) clearly defines what
3 we are asking of this Commission. It states a
4 conversion to contract is the change over of an
5 activity from government performance to
6 performance under contract by a commercial source,
7 which would mandate the return of gun mount work
8 from Rock Island to the Detroit Tank Plant.
9 Paragraph 8(a), no satisfactory
10 commercial source available, and 8(d) lower costs
11 explains clearly the conditions and criteria that
12 should be use in determining who should be awarded
13 this contract.
14 Subparagraph (a) is non-applicable
15 because General Dynamics is, and has been, a
16 proven commercial source.
17 As for Subparagraph 8(d), the Army
18 answered that question in a letter to Congressman
19 Sander Levin, dated March 3, 1995, and signed by
20 George T. Greiling, L.T.C., U.S. Army, which
21 stated: "There was a cost analysis done by the
22 Army last year that indicated that little or no
23 cost difference exists between splitting the work
24 or doing it all at one location. These cost

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1 estimates are sensitive to variances in workload
2 forecasts."
3 In your packets are copies of
4 communications to the Army from Congressman Sander
5 Levin and Senator Carl Levin. You will find the
6 Army's answers to their questions are vague and
7 incomplete in some areas and contradictory in
8 others.
9 Some of their answers would lead
10 you to believe that after 1996 there is no more
11 gun work, yet, other areas state clearly an
12 upgrade program goes on past the year 2000.
13 Foreign military sales are also of
14 a very high potential with South Korea. Rock
15 Island has the exclusive contract to make the guns
16 for Egypt. Combining spare parts, South Korea,
17 Egypt and upgrades for U.S. tanks it is clear that
18 there will be gun work for years to come. These
19 programs for technological and engineering support
20 purposes are and, according to the Army, will
21 continue to be provided by General Dynamics.
22 This Commission needs to be aware
23 that the Detroit Army Tank Plant's gun work only
24 represents approximately 30 percent of the work

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1 done at that facility.

2 In your packet you will find a

3 parts sheet that lists dozens of parts that are

4 not related to what Rock Island is currently

5 doing. D.A.T.P. is the exclusive provider for

6 these parts. The questions yet unanswered are

7 where will this work be done if D.A.T.P. closes?

8 What will it cost to relocate all the machinery

9 and who will pay the bills? This cost must be

10 figured in the total of what it would cost to

11 close the Detroit Army Tank Plant. I'm sure it

12 will be more than the $1.25 per square foot or the

13 $1.4 million the Army has quoted.

14 CHAIRMAN DIXON: How much more time do you

15 need, Mr. Polselli?

16 MR. POLSELLI: Half a minute.

17 CHAIRMAN DIXON: You are granted.

18 MR. POLSELLI: I'm sure it will be okay. I'm

19 sorry. I lose my spot.

20 The Army has drastically

21 understated the expense of closing this facility.

22 I can sit here and say to you that

23 the Army can send the gun mount work from Rock

24 Island to D.A.T.P. for no more than the expense of

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1 loading their parts on trucks and paying the
2 freight to Detroit. The Army would not incur the
3 huge expense of the relocation of machinery, CMM
4 equipment, the platform welding area, the surface
5 treatment area, or be in violation of Circular
6 A-76.
7 In closing, I would like to say
8 that I do not envy the tremendous burden and
9 responsibility that has been placed upon this
10 Commission, but we are confident that after a
11 thorough review of the facts this Commission will
12 remove the Detroit Tank Plant from the base
13 closing list.
14 We look forward to seeing one of
15 you in our facility. Thank you very much.
16 CHAIRMAN DIXON: Thank you very much,
17 Mr. Polselli.
18 Before I go to the Selfridge Army
19 Garrison folks, are there any questions from my
20 colleagues about the Detroit Arsenal?
21 COMMISSIONER STEELE: No questions,
22 Mr. Chairman. I just want to say I'll be visiting
23 the plant in about two weeks. I look forward to
24 talking to you.

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1 MR. POLSELLI: I look forward to seeing you
2 there.
3 CHAIRMAN DIXON: Ms. Steele will be there
4 shortly, because Ladies and Gentlemen, let me just
5 say that we are indebted to the distinguished
6 congressman from this district, Henry Hyde, the
7 distinguished chairman of the Judiciary Committee
8 in the House of Representatives, for his request
9 to Mayor Don Stephens, that we be permitted to use
10 these facilities today, and we express our
11 personal appreciation to the distinguished mayor
12 of the city, Don Stephens, and to the
13 distinguished congressman from this district,
14 Henry Hyde, for their kindness, and we are
15 delighted.
16 Now may I inquire -- I think you
17 folks better come up to these mics, don't you
18 think?
19 (Whereupon, parties approached
20 microphones.)
21 Thank you, very much, folks. And
22 we are going to be able to accommodate these nice
23 people.
24 We are delighted to have Colonel

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1 Williams, the Regional Marketing Manager for Ford
2 Motor Company.
3 PRESENTATION
4 BY
5 COLONEL WILLIAMS:
6 Good afternoon, Chairman Dixon,
7 distinguished Commissioners. I am Leo Williams, a
8 Marine Reserve colonel and a member of Team
9 Selfridge since 1983. As a civilian, I am the
10 marketing manager for the Great Lakes Region, Ford
11 Division, of the Ford Motor Company.
12 I would like to address briefly the
13 military value of the Selfridge base and the
14 TACOMSA Army Garrison and the issues that arise
15 from the garrison's closure.
16 As you may already know, Selfridge
17 Air National Guard Base is like few other military
18 bases in America in that it serves all five of the
19 armed services at a single location. Forty-five
20 different commands or units, representing all of
21 the services, are hosted here. The base provides
22 offices, work spaces and training facilities for
23 these service men and women.
24 As you are well aware, this

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1 jointness in inter-service relationships is a key
2 goal of the BRAC Commission and the Department of
3 Defense.
4 Selfridge National Guard Base has
5 the only military housing available in Michigan.
6 It is home to more than 690 military families. The
7 base housing they live in at Selfridge is safe,
8 affordable, recently renovated, centrally located
9 and available.
10 The TACOMSA Garrison that has been
11 recommended for closure is charged with supporting
12 all of the five services and the tank and
13 automotive command by managing Selfridge's housing
14 and the morale, welfare, and recreation activities
15 and base infrastructure.
16 One of the fundamental goals of the
17 BRAC Commission is to make maximum use of common
18 support assets, to look for cross-service
19 opportunities to share assets and to rely on a
20 single military department for support.
21 In the process of supporting all of
22 the tenant units at Selfridge, as the manager for
23 base housing and MWR services, the garrison is a
24 role model in how this goal can be achieved and

1 received the Army Community of Excellence Award
2 for small installations in 1991.
3 How will the closure of the army
4 garrison affect operational readiness? Each of the
5 affected service commanders indicate that closing
6 the Army garrison should have minimal near-term
7 effect on their ability to perform their missions;
8 however, loss of firefighters could shut down the
9 airport's tanker mission, which is an active
10 global mission. Also, there could be serious
11 impact on the Coast Guard, which has a true
12 everyday lifesaving mission.
13 If the garrison closes, the size of
14 the base security force will decrease by 66, from
15 36 to 11, which will directly adversely affect the
16 Coast Guard's 24-hour search and rescue response
17 mission.
18 For the services as a whole,
19 however, the central issue is quality of life,
20 which will decline significantly if the garrison
21 closes. As quality of life declines, morale
22 declines, disciplinary problems increase, the
23 ability to recruit and retain the most desirable
24 personnel declines. Ultimately, unit performance,

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1 unit cohesion and operational readiness will do
2 likewise.
3 But this does not have to happen
4 because a decision that was based on a flawed and
5 incomplete analysis can still be reversed.
6 The Army was required by the BRAC
7 Commission to do a complete investigation and
8 review with the other services of the full impact
9 of closing the Army garrison. If it had done so,
10 the Army would have discovered that the garrison
11 closure will result in a reverse realignment. The
12 infrastructure is being taken away but none of the
13 supported units is being deactivated or relocated.
14 Tank and automotive command is actually gaining
15 personnel.
16 The Army's analysis failed to take
17 into account the families of the other services
18 living in base housing and using the MWR services.
19 It will cost taxpayers more to
20 provide off-base housing than to continue using
21 the present and excellent Selfridge housing.
22 Support from military dependent families when
23 service members are deployed or mobilized for
24 national emergency will not be available, unit

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1 cohesion and morale will suffer, and, finally,
2 this closure runs exactly counter to the goal of
3 the BRAC Commission and the Department of
4 Defense's policy regarding cross-servicing,
5 jointness and quality of life.
6 The bottom line is nothing about
7 this closure makes sense. It doesn't save any
8 money. It degrades quality of life. It adversely
9 affects operational readiness. It places an
10 unnecessary economic and emotional hardship on
11 families that will be displaced and it removes
12 services that present and retired service members
13 have earned and fully deserve. Do not let this
14 happen, please. Thank you.
15 CHAIRMAN DIXON: Colonel Lee Williams, we're
16 indebted to you for your contribution.
17 And according to my schedule, State
18 Senator Ken DeBeaussaert will be ready again.
19 PRESENTATION
20 BY
21 STATE SENATOR DeBEAUSSAERT:
22 Thank you again. I'm Ken
23 DeBeaussaert and it's my privilege to represent
24 the Selfridge Base and the surrounding communities

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1 in the Michigan State Senate. I know that these
2 hearings must be truly exhausting, and I
3 appreciate your attention. I hope you take the
4 time today or the near future to look seriously at
5 the manpower and cost savings and recommendations
6 to close the Army garrison at Selfridge. The
7 information on manpower is terribly inconsistent.
8 The Army garrison has 2 military,
9 83 appropriated fund civilian employees, 192
10 non-appropriated fund employees and 100 civilian
11 contractor employees. Yet, the BRAC data shows
12 the number of military positions eliminated
13 ranging from 19 to 54 and the number of civilian
14 positions eliminated ranking from 61 to 555.
15 Even more confusing, the COBRA
16 model reflects the base population after BRAC
17 dropping to zero despite the fact that all other
18 units are remaining.
19 Given this inconsistency, you can
20 understand the kinds of questions raised by
21 Colonel Williams and others.
22 This is really a base closing, and,
23 if so, why weren't the other branches consulted?
24 If the entire base is not closing, who will pay

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1 for Selfridge's essential service?

2 Where the manpower statistics are

3 inconsistent, figures on cost savings are

4 consistently wrong. They show the savings on

5 housing for eliminating nearly 700 housing units

6 but only offsets against this savings, the

7 replacement costs for housing 329 Army families

8 off base. That leaves 365 families from other

9 branches evicted but unaccounted for.

10 Maybe there's some BRAC magic that

11 will make those families disappear, but I suspect

12 it's the projected savings that will vanish when

13 the federal government pays for their off-base

14 housing as well.

15 Then, add potential costs of

16 Secretary Perry's proposal to increase BAQ in high

17 cost areas, like Detroit, plus the upfront $5

18 million in costs identified for closing the

19 garrison, that will never be recovered, and I

20 think your decision becomes clear.

21 We recognize that you do have some

22 very difficult decisions to make. Please make

23 sure those decisions end up saving money and not

24 costing more. If you do that, I'm convinced you

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1 will remove the Army garrison at Selfridge from
2 the closure list.
3 CHAIRMAN DIXON: Thank you. I'm indebted to
4 you.
5 And State Representative Tracy
6 Yokich, thank you for being here.
7 Representative Yokich.
8 PRESENTATION
9 BY
10 STATE REPRESENTATIVE YOKICH:
11 Thank you, Mr. Chairman. Good
12 afternoon, Mr. Chairman, Members of the
13 Commission. I'm State Representative Tracy
14 Yokich. My district is the proud home of the
15 United States garrison of the National Guard
16 Base.
17 I'm before you today to ask you to
18 reject the Army's recommendation to close the
19 garrison in my state for three reasons: First, I
20 don't believe it's cost-effective; secondly, i.e.,
21 evicting nearly 700 families from base housing
22 will severely impact quality of life; and, third,
23 Selfridge is an excellent gamble of a
24 cross-service installation that we should support

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1 and not destroy.

2 First, the Army's COBRA analysis, I

3 believe, is incorrect. It arrives at a cost

4 savings by ignoring the fact that we would have to

5 provide a housing allowance to the other military

6 members who will be affected from family housing

7 if this recommendation is adopted. It will

8 actually cost the government more to pay those

9 housing allowances to continue to support the

10 family housing at Selfridge today.

11 The Army's cost savings also

12 disappear if you consider $17 million has been

13 spent in renovation to quarters since 1989.

14 Secretary Perry's recent plan to increase housing

15 allowances for high cost areas, like Detroit, will

16 further negate any savings.

17 The Army assumes that 694 families

18 and 78 unaccounted members live on base will

19 obtain subsequent housing in local communities.

20 Nothing could be further from the truth.

21 The vast majority of the personnel

22 affected by this closure are enlisted members. The

23 housing allowance would -- for these families

24 range from $427 to $748. Comparable housing in

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1 the immediate area is not available in terms of
2 cost, quantity or quality.
3 On-base military housing has a
4 significant impact on military value
5 installation. It provides important benefits to
6 military members, including unit cohesion,
7 convenient, affordable and secure housing, family
8 care and predictable expenses.
9 It appears that these factors,
10 which are frequently referenced by the DOD, when
11 addressing quality of life issues, were not
12 considered.
13 Selfridge is truly a joint
14 community, a model in purple base operations. The
15 Commission has stated that it's a policy to make
16 maximum use of common support assets to look for
17 cross opportunity. That is exactly what we have
18 accomplished at Selfridge.
19 Any way you look at it, it's not a
20 cost-effective decision, and such a decision will
21 also significantly impact quality of life for over
22 1800 men, women and children who choose to make
23 Selfridge their home.
24 Please reject the Army's

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1 recommendation. Thank you.

2 CHAIRMAN DIXON: Thank you, Representative

3 Yokich, and we are delighted to have your

4 contribution.

5 Ms. Pamela Weeks, Harrison Township

6 Supervisor.

7 PRESENTATION

8 BY

9 MS. WEEKS:

10 Good afternoon, Commissioner. My

11 name is Pam Weeks and I'm supervisor of the

12 Charter Township of Harrison, host to the

13 Selfridge Army National Guard Base.

14 My purpose for speaking today is

15 not to plead on behalf of our civilian community

16 because we do not -- we are not dependent on the

17 base, but rather a partnership between the

18 civilian and military communities built on

19 cooperation and mutual respect.

20 Selfridge was officially

21 established as a military installation on July 1,

22 1917. Today Selfridge Army National Guard Base is

23 the home to seven major commands from five

24 services and contains, let me say once again, the

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1 only military family housing in Michigan.
2 The Army garrison at Selfridge
3 provides most of the infrastructure support for
4 the installation. Its proposed closure makes no
5 fiscal sense. It is simply penny-wise and pound
6 foolish.
7 Isn't all government, especially
8 the military, charged with the most fundamental
9 responsibility of maintaining the health, the
10 safety, and the welfare of this nation?
11 Visualize, if you can,
12 Commissioners, your own community with limited or
13 no basic services. Could you survive if no one was
14 accountable for the utilities, the roads, the
15 police or the fire?
16 If your city government closed its
17 doors, how long would you stay and at what cost?
18 What is the environmental impact? None of the
19 conditions stay status quo, but faced with base
20 closures, who will be responsible for clean-up of
21 the asbestos, the lead, the PCBs, underground
22 storage tanks and hazardous materials, and what
23 will be that cost: Millions, hundreds of millions
24 of dollars? Who will incur that cost?

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While Secretary Perry and his entire staff worked diligently to improve military housing and quality of life, the Army proposes closure instead. It just simply doesn't make sense.

Thank you. And this group would love to answer any questions you may pose.

CHAIRMAN DIXON: Well, thank you very much, Ms. Weeks, and we are greatly indebted to everybody from Michigan and congratulate you on your very excellent presentation and eloquent argument of your case.

And I ask whether any of my colleagues on the Commission have any questions.

COMMISSIONER STEELE: No questions, but, again, I look forward to seeing you in Michigan.

STATE REPRESENTATIVE WEEKS: Looking forward to having you there.

CHAIRMAN DIXON: Commissioner Wendi Steele will visit with you.

How about anybody else? Any other questions?

(No verbal response.)

We are indebted to the folks from

1 Michigan.

2 Now, Ladies and Gentlemen, we are

3 going to take a 10-minute break and then we are

4 going to have the folks from Ohio shortly.

5 (Whereupon, a 10-minute break

6 was taken.)

7 COMMISSIONER ROBLES: Okay. If we could

8 begin. As you know, Chairman Dixon had to leave

9 so I'll be backup for him until the rest of this

10 hearing.

11 We now have the privilege of

12 hearing from the State of Ohio, but first I like

13 to acknowledge the fact that the cities of

14 Whitehall and Columbus have presented written

15 testimony and they would like it in the record,

16 and I guarantee it will be in the record and made

17 public.

18 MAJOR GENERAL ALEXANDER: Chairman, Members

19 of the Commission, thank you for the opportunity

20 to appear.

21 COMMISSIONER ROBLES: As you know, I, like

22 the Chairman, we have to swear all witnesses in.

23 So if you and your two colleagues would please

24 stand, and anyone else who's going to testify

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1 during the Ohio time, if you would please stand,
2 and raise your right hand.
3 (Witnesses sworn.)
4 Please have a seat. Nice to see
5 you again, General Alexander, and give you an
6 opportunity to make any statement you wish.
7 PRESENTATION
8 BY
9 MAJOR GENERAL ALEXANDER:
10 Chairman Robles, Members of the
11 Commission, thank you for the opportunity to
12 appear and present the concerns of Ohio Governor,
13 George V. Voinovich on the realignment of Air
14 National Guard Units from Springfield to
15 Wright-Patterson Air Force Base.
16 In a time of restrained military
17 spending and resources, continued force structure
18 reductions, and intense public scrutiny, it is
19 incumbent upon us, and this Commission, to choose
20 wisely those actions taken in base realignment and
21 closure.
22 Following the philosophy identified
23 for closure recommendations, actions accepted by
24 the Commission should first, and foremost, promote

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1 the military effectiveness and produce a savings
2 to the taxpayer. Using this criteria, the 1995
3 recommendation to realign our units from
4 Springfield to Wright-Patterson, we feel, are
5 flawed.
6 As you know, the 1993 Commission
7 addressed the issue of moving the Air Guard from
8 Springfield to Wright-Patterson. In its initial
9 recommendation, air staff planners put the cost of
10 this move at about $3 million with recurring
11 savings validated at 1.1 million.
12 Further study identified more than
13 42 million in moving costs to realign our units to
14 Wright-Patterson. The Air Force then recommended
15 that BRAC remove Springfield from realignment
16 consideration.
17 In the 1995 Air Force realignment
18 recommendations for Springfield, moving costs were
19 estimated at slightly over $23 million with an
20 additional 5.6 million one-time cost generated by
21 the move. Included with this estimate are
22 completely new figures of 4.2 million in recurring
23 savings per year was identified.
24 While we concede much has changed

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1 at Wright-Patterson over the past few years, which
2 would reduce the 1993 cost to 42 million in
3 relocation costs, nothing has changed at
4 Springfield or Wright-Patterson which warrants a
5 300 percent increase in estimated savings per
6 year.
7 By the way, the 1.1 million in
8 recurring savings validated for Springfield's move
9 to Wright-Patterson in the last BRAC was defined
10 by the assistant secretary of the Air Force for
11 installations in a letter to then BRAC Chairman,
12 James Courter.
13 Mr. Courter asked the Air Force to
14 delineate, by each functional area, how recurring
15 savings would be realized in moving Springfield
16 units to Wright-Patterson. When asked to explain
17 the obvious disparity in numbers from 1993 to
18 1995, the Air Force could not identify where these
19 additional savings were being generated.
20 Recently an Air Force team
21 completed a site survey of Wright-Patterson
22 addressing MILCON requirements allocated with this
23 move.
24 Faced with nearly 30 million in

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1 total relocation costs and unsubstantiated numbers
2 for recurring savings, additional space was found
3 at Wright-Patterson during the site survey within
4 a three-day period to accommodate the Air Guard's
5 requirement. This site survey subsequently reduced
6 costs to 20 million. Not defined in this survey
7 are additional funds required to relocate
8 functions within Wright-Patterson already
9 occupying this new-found space. The site survey,
10 at best, produced hidden costs which are not
11 included in the Air Force's estimates of this
12 realignment.
13 All of these costs for realignment
14 of the unit which now enjoys a full complement of
15 world class facilities at Springfield. For these
16 cost considerations alone, this recommendation
17 should be reconsidered by the Air Force.
18 I have strong concerns as well for
19 the impact of this move on the readiness and the
20 training of the unit at Springfield. The Air
21 Guard now enjoys complete flexibility to conduct
22 training throughout the month.
23 When placed on Wright-Patterson,
24 admittedly unable to support guard and reserve

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1 unit training requirements simultaneously, our
2 units will be restricted to one weekend only per
3 month. If this weekend does not coincide with
4 other units throughout the state, joint training
5 so vital to maintain combat readiness will be
6 severely impaired. Recruiting will also be
7 impacted by this move.
8 Currently, nearly 80 percent of all
9 Air Guard flying units are based on civilian
10 airports, why, because community basing lies at
11 the very heart of the militia concept.
12 Guard units draw recruits from the
13 community in which they're based and only from
14 these communities.
15 We do not have the luxury, as our
16 active and reserve counterparts have, of filling
17 critical shortages from other units around the
18 country. They must come from the community.
19 Isolating the guard on an active
20 installation separates it from the community on
21 which it depends for support and removes the
22 hometown identity associated with the National
23 Guard.
24 This bond between community and the

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1 unit is critical to our recruiting, retention, and
2 long-term well-being. It is important as any cost
3 factor when connecting closure and realignment
4 action with the National Guard.
5 I'd like to illustrate this point
6 with the following: During Desert Shield/Desert
7 Storm, cities all over America turned out for
8 parades and celebrations in sending their hometown
9 guard units off to war and welcoming them back.
10 This type of support for the
11 military has not been seen since World War II.
12 Coincidentally, World War II was the last time the
13 guard has been mobilized in significant numbers.
14 This was the intent in dispersing
15 the guard into the community. When this nation
16 goes to war, we need the full support of every
17 community. When you mobilize the guard, you
18 mobilize the community.
19 Governor Voinovich is deeply
20 concerned that this unnecessary realignment will
21 damage the Air Guard's long-term viability while
22 realizing little gain for the Department of
23 Defense.
24 I share his concern and urge you to

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1 weigh the consequences of this move in terms of
2 cost, combat readiness, and community impact
3 before making a decision on this recommendation.
4 Thank you for your time and
5 attention. I'll be followed by Colonel Higgins.
6 COMMISSIONER ROBLES: Thank you, General
7 Alexander. I forgot to mention you did provide us
8 a statement and we'll make sure it gets inserted
9 in the record.
10 MAJOR GENERAL ALEXANDER: Thank you.
11 COMMISSIONER ROBLES: Retired Colonel Dick
12 Higgins?
13 PRESENTATION
14 BY
15 COLONEL HIGGINS:
16 Members of the Base Closure and
17 Realignment Commission, we appreciate the
18 opportunity to present the concerns of Springfield
19 and the community for the proposed realignment of
20 the Ohio Air National Guard Springfield Base to
21 Wright-Patterson Air Force Base.
22 I am Dick Higgins, U.S.A. Air
23 National Guard retired. The better part of my
24 career was served with the 178 fighter group, one

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1 of three units proposed by the Air Force to be
2 relocated to Wright-Patterson.
3 The last ten years, 1980 to 1990, I
4 served as commander of the fighter group in the
5 Springfield Air National Guard Base.
6 Frankly, we are somewhat concerned
7 and baffled at the determination of the Air Force
8 to fill a space at Wright-Patterson by this act of
9 reassigning Springfield units when there's more
10 costly operations that could be realigned at a
11 much greater savings for the taxpayer.
12 We are concerned by the Air Force's
13 inference that Springfield is a bedroom community
14 and why the fuss over such an inconsequential
15 move. They note that there will be no relocation,
16 that people will stay in place and the tax base
17 remain as it is.
18 Ladies and Gentlemen of the BRAC, I
19 beg to differ. There will be a gradual erosion
20 over time that will have a very negative impact on
21 Springfield.
22 Located in the heart of Ohio,
23 Springfield and Springfield Air National Guard
24 Base are a stand-alone element of the Clark County

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1 community.

2 Springfield is a vibrant

3 progressive community on the move, one which

4 realizes the value of its airport and air

5 transportation and Air National Guard unit, air

6 transportation that is immediately responsive to

7 business and industry.

8 The Springfield Beckley Airport is

9 named for the World War fighter pilot and

10 community leader and the Springfield Air National

11 Guard Base is located 3 1/2 miles south of the

12 City of Springfield, Interstate 70.

13 Now I'd like to take you on a short

14 trip to Springfield Air National Guard Base,

15 286,000 square feet of paid for, modern efficient

16 and attractive facilities. Man that turns me on

17 right there.

18 (Whereupon, a slide

19 presentation was shown.)

20 (Laughter.)

21 It is located on 113 acres of city

22 owned -- I repeat -- city-owned airport property

23 leased to the Air National Guard for 99 years for

24 a dollar a year. This 113 acres is only a portion

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1 of some 300 acres the city acquired in the 50s to
2 expand the airport to accommodate the Air Guard
3 operation, which enjoys modern, convenient
4 cost-effective and operationally superior
5 facilities, facilities seldom equal anywhere in
6 the nation.
7 The operational environment is
8 superior on the ground and in the air where
9 considerable ground base defense training
10 scenarios or the realistic flying training that
11 could be conducted in a cost-effective manner.
12 The environment is difficult to
13 duplicate any where and seldom used. The
14 recruiting environment, General Alexander
15 addressed, is outstanding. All three units have
16 consistently maintained combat readiness
17 recruiting highly-skilled people.
18 Military value, Springfield means a
19 superior operational readiness environment on the
20 ground and in the air with a flavor of
21 independence that allows people to perform at
22 their very best.
23 The economy of the operation is
24 realized in a number of ways. Utility costs that

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are half that per square foot of Wright-Patterson, operations and maintenance, maximum taxi time, which is a fuel savings, airport service contract fee, which is almost nil, joint use provides cost saving opportunity between the city and Air National Guard, State and Federal Aviation Administration.

As an example, airfield landing area improvement projects are shared by the city, air guard, state and FAA as opposed to the Air Force stand-alone.

Springfield offers complete contingency responsibility, the capability to handle all sizes of aircraft has been repeatedly demonstrated during non-hours, oversized unit deployment. I'm talking parking and refueling Air Force C5 Gallon, Commercial Boeing 747s, and the like. It is an ideal point of embarkation. The excellent demographic environment was noted earlier.

Consider also the visibility of the units that enhance their recruiting success and high morale. The spacious rural surroundings depicted earlier highlight the advantage of

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1 location over that of other airfields in the
2 vicinity, the newly completed jet engine
3 maintenance shop comes complete, base facility
4 paid for.
5 Staying at Springfield avoids
6 further expenses and risk of cost overruns that
7 come from relocation, all savings amicable to
8 readiness.
9 Keep in mind that Springfield
10 option offers easily contracted or expanded
11 mission role capability, for example, a regional
12 emission storage facility which the city is on
13 record as willing to provide the real estate for.
14 Finally, I call your attention to
15 the observations noted in a letter submitted to
16 the 1993 BRAC by Brigadier Robert I. McCann, U.S.
17 Air Force retired.
18 In his role as 9th Air Force vice
19 commander and responsible for all of 9th Air Force
20 units, Air Force and Air Force reserve, he visited
21 on many occasions or observed and flew with both
22 the 178th at Springfield and the then 906 at
23 Wright-Patterson Air Force base. He noted -- this
24 says it all and his observation was Springfield is

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1 the place to be.

2 COMMISSIONER ROBLES: Thank you, Mr. Higgins.

3 I turn to Mr. Kridler, the

4 Springfield city manager, who will present your

5 remaining presentation.

6 PRESENTATION

7 BY

8 MR. KRIDLER:

9 This is the third time since 1976

10 that a proposal has come forth to transfer the

11 Springfield/Ohio Air Guard Base to

12 Wright-Patterson Air Force Base.

13 In 1976 the Pentagon studied the

14 transfer proposal and rejected it on the basis of

15 cost and military value.

16 As General Alexander stated, two

17 years ago in 1993 the Air Force and the Department

18 of Defense recommended the transfer of the

19 Springfield/Ohio Air Guard 178th Fighter Group be

20 based at Wright-Patterson Air Force Base vacated

21 by the 4950 test wing. They estimated a savings at

22 1.1 million annually and a $3 million cost to

23 relocate and bed down this unit.

24 The BRAC found that these estimates

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1 were grossly in error. The cost of relocation and
2 military construction alone grew to over $40
3 million. The BRAC rejected the transfer
4 recommendation and wisely kept the Springfield Air
5 National Guard at its current location.
6 Now here we are in 1995, the
7 transfer is being recommended once again. This
8 time at Wright-Patterson vacated by the 906
9 Reserve Fighter Group, for relocation and military
10 construction is estimated at $23.3 million. The
11 recurring annual savings was estimated at $4.2
12 million. That number was adjusted last week to
13 $3.7 million by an on-site assessment team, a
14 number of questions remaining unanswered.
15 Remember, the annual recurring savings in 1993 was
16 estimated at $1.1 million.
17 One of the problems here is getting
18 all the costs on the table. The cost of operations
19 at Springfield are clearly identifiable and in a
20 single cost center, not so at Wright-Patterson. A
21 major justification for this move is the $3.7
22 million or $4.2 million in annual savings from
23 elimination of base support costs.
24 Is Wright-Patterson going to

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1 provide these same services at no cost to the
2 military?
3 I could tell you as the manager of
4 a mid-sized city that I cannot get away with this
5 type of accounting, a cost allocation not even
6 distributed support service across each of our
7 municipal operations, so we can determine the true
8 cost of these services. Even our golf course
9 operations pay their own utility bills and
10 overhead and support costs.
11 Let's get all of the cards on the
12 table. Let's make sure we are comparing apples
13 with apples here. Let's not transfer this unit
14 from a low cost environment to a high overhead
15 active base and get surprised later.
16 The economic impact upon
17 Springfield, Clark County associated with this
18 move, is significant. We are not a suburb of
19 Dayton but a full service city that depends on its
20 own economy.
21 The Ohio Air Guard is one of our
22 largest employers, a $23 million payroll. The
23 Ohio Air Guard is our primary tenant at the
24 Springfield-Beckley Airport. It represents over

1 20 percent of our annual budget. Loss of this
2 unit can severely affect future airport
3 operations. The economic impact's in numbers.
4 Is it wise to walk away from a $40
5 million investment? Is it fair to abandon two
6 facilities and infrastructure at the
7 Springfield-Beckley Airport without any assurance
8 or assistance for the city, a partner for over 40
9 years?
10 The BRAC faces a unique problem,
11 closure of the Springfield Air Guard Base. The Air
12 Guard Base is on land leased from the city. It is
13 not federal property.
14 The BRAC has dealt with facilities
15 located on federal property. These facilities
16 qualify for assistance from the Air Force based on
17 emergencies and others. A team is assigned to
18 help with reused plant, take care of environmental
19 issues and take care of facilities until they're
20 put into reuse. A safety fleet is in place so the
21 community does not suffer undue hardship.
22 Neither the Air Force Base
23 conversion agency, nor others know whether such
24 aid would be extended to a non-federal property.

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1 The on-site assessment team that
2 visited our facility last week expressed concern
3 about this issue and one member stated you seem to
4 have fallen through a very big crack in the
5 process.
6 The Springfield/Ohio Air National
7 Guard Base represents 40 years of cooperative
8 effort which includes the purchase and lease of
9 land at our airport, extension of all utilities,
10 investment in joint projects, strong community
11 support and more from the State of Ohio and the
12 City of Springfield.
13 We ask for consideration in return.
14 This consideration includes a fair and full
15 accounting of all costs associated with the move
16 and estimated savings. It proved not to be a wise
17 move in either 1976 or in 1993 -- assurance that
18 equitable assistance will be provided if closure
19 takes place so that the community does not fall
20 into undue hardship, a partner of 40 years desires
21 to be treated fairly. This line says it all. It
22 says it in 1993, and we say it again in 1995.
23 Thank you.
24 COMMISSIONER ROBLES: Thank you,

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1 Mr. Kridler.

2 Do you have any questions for

3 either the colonel or Mr. Kridler, Commissioners?

4 (No verbal response.)

5 I thank you very much from the

6 great State of Ohio, the Buckeye state, for your

7 excellent presentation, and I wish you all the

8 best of luck.

9 Next would have been the State of

10 Wisconsin and, as I understand it, there will be

11 no testimony from any official from the State of

12 Wisconsin, the same is true from Kansas. They

13 have also yielded their time.

14 We are now ready to begin a period

15 set aside for public comment. Our intention to

16 try to insure that all opinions on the

17 recommendation affecting these states are heard.

18 We have assigned thirty minutes for

19 this period. We ask persons wishing to speak sign

20 up before the hearing began, and they have done so

21 by now. We have also asked them to limit their

22 comments to two minutes each. We'll ring a bell

23 at the end of that time. Please stop when your

24 time is up.

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1 Written testimony is welcomed by
2 the Commission any time in the process. If all
3 those signed up to speak would please stand up and
4 raise your right hand, we'll administer the oath.
5 (Witnesses sworn.)
6 Thank you very much.
7 First, from the State of Indiana,
8 Mr. Pat Avery.
9 PRESENTATION
10 BY
11 MR. AVERY:
12 Honorable Chair, distinguished
13 Commissioners, thank you for the opportunity to
14 express my views. My name is Pat Avery. I'm
15 employed at the Naval Air, WASP, Warfare Center in
16 Indianapolis.
17 I stand before you as an endorser
18 to Mayor Goldsmith's alternate implementation of
19 the DOD recommendation for our center. Mayor
20 Goldsmith's idea are progressive and innovative as
21 are our center.
22 For example, our center's one of
23 the first DOD facilities to develop and implement
24 a true combination labor management partnership.

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1 I view the mayor's implementation
2 of the current DOD recommendation as the silver
3 lining above the black cloud of our facility
4 closing.
5 I think Vice President Gore would
6 be very supportive of the mayor's plan as it's
7 reinvention of government in the truest sense.
8 The mayor's recommendation
9 implementation provides you with an opportunity to
10 determine a win, win, win situation for the DOD,
11 the employees, and the city, and to a win, win,
12 win partnership in implementing the mayor's plan,
13 the DOD will realize a greater opportunity for
14 cost savings. The impact on the current employee
15 base in terms of job loss will be minimized and
16 the city will be provided with an opportunity for
17 economic growth in lieu of certain negative
18 impacts.
19 In summary, I feel that
20 implementation of the mayor's proposal will enable
21 us to become an enterprise of the 21st Century
22 today. Thank you.
23 COMMISSIONER ROBLES: Thank you, Mr. Avery.
24 Mr. Larry Coan?

PRESENTATION

BY

MR. COAN:

Thank you, Mr. Chairman. I'm a mechanical engineer in the Naval Warfare Center at Indianapolis. I was fortunate enough to speak to Mr. Kling when he was in town on Monday.

First of all, I'd like to thank him for his careful attention to what we had to say while I was there.

Mr. Kling made the comment while he was there that he was surprised and also impressed with what he saw. I believe what Mr. -- what the commissioner saw was a highly-skilled work force of nearly 3,000 employees who were extremely proud of the work they do for all branches of the service, and I believe Mr. Kling saw a facility that is unique within the federal government and that under one roof we can fabricate and document and design nearly any conceivable piece of electronic equipment, as well as provide full spectrum, life cycle support of that equipment.

As I told Mr. Kling during his visit, I believe there may have been bias in the

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1 presentation thinking sacrificing the Indianapolis
2 facility would somehow booster the standards of
3 the river facility.
4 For that reason, I would ask the
5 Commission only consider corrected COBRA data that
6 was presented by Mayor Goldsmith earlier.
7 Finally, I like to add that I
8 believe the employees at our center are very much
9 behind the mayor's innovative plan. Thank you.
10 COMMISSIONER ROBLES: Thank you, Mr. Coan.
11 Mr. Roger Brouse?
12 PRESENTATION
13 BY
14 MR. BROUSE:
15 Good afternoon distinguished
16 Commissioners. My name is Roger Brouse. I've
17 come to you as a citizen of the State of Indiana,
18 a federal taxpayer and a longtime employee of
19 Indianapolis.
20 Throughout my career at NAWC
21 Indianapolis, I've recognized the unique
22 capability we have there, both people and
23 facilities. The residents there provide
24 innovative technology solutions to the federal

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1 system's acquisition process.
2 Now I say federal instead of DOD
3 because over the years I have seen our customer
4 base expand federal activity, including DOD, but
5 also the National Security Agency, Federal
6 Aviation Administration, NASA, foreign
7 governments, and many others.
8 Our capabilities and initiatives
9 have constantly been in line with, if not at the
10 leading edge, of national policy, an example of
11 which is Vice President Gore's Reinventing
12 Government Program.
13 We are a designated reinventing
14 laboratory. We were among the first of DOD
15 activities to implement a labor/management
16 partnership. We have written and used performance
17 specifications in acquisitions for many years, as
18 you are familiar with Mr. Perry's acquisition
19 reform initiatives, and we are, to my knowledge,
20 the first DOD facility to design and implement a
21 comprehensive organization to facilitate
22 streamlining and downsizing in line with what's
23 happening in private industry.
24 Quite honestly understand that the

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1 Indianapolis technical facility would be
2 sacrificed by the Naval Air Warfare System to the
3 facility of China Lake.
4 I view the loss of our unique
5 capability as sustainable and I see the mayor's
6 plan an innovative solution that will meet the
7 Navy's requirements to downsize while providing a
8 winning solution for the city, the state, the
9 employees and the taxpayers. Thank you.
10 COMMISSIONER ROBLES: Thank you, Mr. Brouse.
11 Mr. Frank Moosbrugger?
12 PRESENTATION
13 BY
14 MR. MOOSBRUGGER:
15 Distinguished Commissioners, thank
16 you for the opportunity to speak. I've been at
17 the Naval Air Warfare Center in Indiana for 35
18 years. I've been very proud to be a member of a
19 team that has provided support throughout the
20 acquisition process to not only the Navy but to
21 the Department of Defense and other agencies.
22 This team is unique within the DOD
23 and that within one building under one roof we
24 have the capability to go from pure research to

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1 production. We have the expertise to be able to
2 support the acquisition process through any
3 phase. If a contractor gets in trouble in a
4 production effort, we have the expertise to
5 provide support in that area all under one roof
6 all within the same team.
7 We have been able to respond to
8 emergencies on any of the conflicts that have
9 arisen and during peace time. We have a strong
10 customer focus. We implemented the TQL before it
11 was fashionable. We used the Baldridge Quality
12 Award criteria on our own to evaluate how we can
13 improve our processes or improve our support to
14 our customers.
15 We have a broad customer base, as
16 Roger discussed. We get appropriate funding with
17 our customers on a negotiated basis for the
18 services they want. We have to satisfy those
19 customers in order to get repeat business.
20 We had a record year last year.
21 Our budget has continued to increase. Our funding
22 has continued to increase with the falling defense
23 budget, which shows that our customers are
24 satisfied.

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1 The BRAC scenario, if it's
2 implemented, will split that team. You will lose
3 the expertise that is now resident in that one
4 team and one building in Indianapolis, and we
5 think the mayor's plan is innovative.
6 Private/public partnership will keep that team
7 together. We urge you to support the mayor's
8 plan.
9 COMMISSIONER ROBLES: Thank you,
10 Mr. Moosbrugger.
11 That, I think, concludes the
12 comments from the State of Indiana. Well, no.
13 Now to go to the State of Michigan. First,
14 Mr. John Mirto.
15 PRESENTATION
16 BY
17 MR. MIRTO:
18 Ladies and Gentlemen of the
19 Commission, I thank you for this opportunity to
20 speak. I represent the salaried engineers and
21 technicians in the UAW of Local 412 of the Detroit
22 Tank Arsenal in Warren, Michigan.
23 I feel that the data presented to
24 you by the Department of Defense in this

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1 The BRAC scenario, if it's
2 implemented, will split that team. You will lose
3 the expertise that is now resident in that one
4 team and one building in Indianapolis, and we
5 think the mayor's plan is innovative.
6 Private/public partnership will keep that team
7 together. We urge you to support the mayor's
8 plan.
9 COMMISSIONER ROBLES: Thank you,
10 Mr. Moosbrugger.
11 That, I think, concludes the
12 comments from the State of Indiana. Well, no.
13 Now to go to the State of Michigan. First,
14 Mr. John Mirto.
15 PRESENTATION
16 BY
17 MR. MIRTO:
18 Ladies and Gentlemen of the
19 Commission, I thank you for this opportunity to
20 speak. I represent the salaried engineers and
21 technicians in the UAW of Local 412 of the Detroit
22 Tank Arsenal in Warren, Michigan.
23 I feel that the data presented to
24 you by the Department of Defense in this

1 recommendation to close our plant is incorrect in
2 many aspects, and if you were to go with the
3 recommendation, much of the work that we do would
4 be placed on your army depots, which, I feel, is a
5 conflict of interest on their part to make such a
6 recommendation.
7 And also I think the basis for many
8 of the things are misleading. It is also contrary
9 to the regulations in Circular A-76 in which the
10 military is not suppose to be competing with the
11 civilian work force.
12 Some of the major errors in the
13 report they talked about no jobs would be
14 affected. When we challenged them on this, the
15 response we got because of the large number of
16 people in the metropolitan area we were less than
17 one percent of that, and I find hard to justify to
18 the families of my constituents that because
19 there's not a lot of us there that they really
20 don't exist.
21 There are jobs that will be
22 affected. Cost estimation by engineers hired by
23 General Dynamics and my local have estimated in
24 the hundreds of millions of dollars of

1 improvements have been made and those have been
2 addressed in this report.
3 As far as closing costs, there's
4 nowhere as much exceeds the 1.4 million that they
5 had in the report. To my knowledge, no
6 investigation of the hazardous waste hot spots on
7 the facility were addressed in the report. This
8 can be shown -- apparently the report said there
9 were none.
10 As far as the technology capability
11 and the investments that are put into the plant,
12 the report said that we have outdated facilities.
13 This isn't true at all.
14 Wendi, when you come out, I hope we
15 can show you exactly what we mean. We have a
16 couple hundred million dollars of improvement, and
17 I wish you would really investigate a lot of the
18 statements made in the record. Thank you.
19 COMMISSIONER ROBLES: Thank you, Mr. Mirto.
20 Jim Coakley?
21 PRESENTATION
22 BY
23 MR. COAKLEY:
24 Good afternoon. I'm with the UAW

1 International Union, and I'm also an employee on
2 leave of absent from the Detroit Tank Plant.
3 The Detroit Tank Plant is actually
4 a misnomer because it's not in Detroit and we
5 don't make tanks. We are, in fact, an advance
6 machine center.
7 The Army has stated that 30 percent
8 of what we machine will be sent to Rock Island.
9 When asked the question what happens to the other
10 70 percent, we got some uncertainties back, but
11 they did mention it could be produced at our Lima,
12 Ohio, tank plant and the reason because of
13 advanced technology.
14 It is true that Lima does have an
15 advanced technology plant; however, it's in
16 fabrication. It's in armor. They have very
17 little machining, and what machines they have are
18 conventioning-type machining.
19 We have asked the Army if they
20 would transfer our machines when they closed the
21 plant, they said no, and that was not calculated
22 in the plant closing.
23 1989 the Army did a study on
24 closing the Detroit Tank Plant, which included

1 moving the machinery. They estimated between 134
2 million and 150 million. The only way that that
3 work could be completed in Lima is if our machines
4 are transferred, and when you look at their
5 unrealistic figure of 1.4 million, that's an
6 impossibility. Thank you.
7 COMMISSIONER ROBLES: Thank you, Mr. Coakley.
8 Mr. Frank Monaghan?
9 PRESENTATION
10 BY
11 MR. MONAGHAN:
12 Good afternoon. I'm also a UAW
13 representative that takes care of salary people at
14 the tank plant.
15 I like to say that closing of the
16 Detroit Tank Plant in Warren, Michigan, the
17 decision of the Department of Defense should not
18 come under BRAC.
19 The Department of Defense claims a
20 loss of 149 jobs has only a negligible effect on
21 the area. The loss of one good paying job may not
22 only affect that person but also his or her
23 family. One hundred and forty-nine jobs in
24 question need to be totaled with all the other

1 jobs lost in Michigan and in recent years with the
2 other Department of Defense closings that have
3 taken place.
4 Michigan citizens send many, many,
5 many of their tax dollars years to Washington.
6 For a branch of the government with the Department
7 of Defense who lives off these tax dollars to say
8 that 149 jobs don't count is a very harsh and hard
9 attitude.
10 These jobs we are talking about are
11 commercial jobs, and the Department of Defense is
12 taking and sending some of this work to Rock
13 Island, which is a government facility. That is
14 in direct conflict with the federal policy.
15 I request the Commission to
16 research this decision and take the work that's
17 presently being done at Rock Island and send it
18 back to Detroit to save some of these jobs. Thank
19 you.
20 COMMISSIONER ROBLES: Thank you, Mr. Monaghan.
21 Mr. John Piekutowski. I hope I
22 pronounced that right.
23
24

1 PRESENTATION
2 BY
3 MR. PIEKUTOWSKI:
4 It's Piekutowski.
5 Thank you, Commissioners.
6 UAW Members and their families went
7 through hell in the early '80s when Chrysler sold
8 their plant to General Dynamics Corporation, I'm
9 talking about the tank plant, and, once again,
10 these union folks are about to be slammed.
11 We at the UAW, Local 1248, who
12 support and make components for the Detroit Tank
13 Plant say enough is enough. We hope that you will
14 help keep this plant open and operating in
15 Michigan. I was hopeful that our mayor of the
16 City of Warren might come and community officials
17 in the State of Michigan where the plant is
18 located and the governor and the state leaders
19 were here. Obviously, they're not.
20 We are also hopeful that the
21 citizens will work toward keeping this tank plant
22 open. I appreciate your time.
23 COMMISSIONER ROBLES: Thank you,
24 Mr. Piekutowski.

1 Mr. Robert Smith?
2 PRESENTATION
3 BY
4 MR. SMITH:
5 Thank you, Ladies and Gentlemen of
6 the Committee and Chairman. Smith's a little
7 easier than the last name.
8 Robert H. Smith, United States Air
9 Force retired, and I wanted to bring that to the
10 attention of the Committee, United States Air
11 Force Retired.
12 As our Secretary of State so aptly
13 put it, there are nearly 1 million of us in
14 Michigan. Even though it may seem a selfish
15 motive, I'm here to represent those people as
16 myself to ask you in this awesome task that you
17 have in protecting our nation and being able to
18 cut our budget not to forget us.
19 We are the people. We are the
20 flesh and blood. We are those that came forth,
21 all the men and women, and stayed and we are the
22 backbone of the military, whether we stayed for 15
23 years, we got hurt, such as myself, or we stayed
24 for 20 or 25, and I know that it is not easy to

1 just say, well, these human beings can be put
2 aside.
3 Please, don't do that. Please
4 remember that when we were asked to re-up, we did
5 so willingly, for whatever reason, whether it was
6 dedication to country, bravery or simple economic
7 gains, but we did, not with a promise, and that
8 was that you would have offered to us for the rest
9 of our lives the amenities that we now enjoy, the
10 commissary, the recreational facility, the PX,
11 what have you.
12 So as you make this awesome task, I
13 plead please don't forget us, and thank you for
14 the opportunity to talk.
15 COMMISSIONER ROBLES: Thank for, too,
16 Mr. Smith.
17 That concludes our public
18 comments. We thank you all for your testimony and
19 your comments.
20 We now have concluded this hearing
21 on the Defense Base Closure and Realignment
22 Commission.
23 I want to thank all the witnesses
24 who testified. You have brought us some very

1 valuable information, which I assure you will be
2 given careful consideration by the Commission
3 members.
4 As we reach our decisions, I also
5 want to thank again all the elected officials and
6 community members who have assisted us during our
7 base visits in preparation for this hearing, and,
8 particularly, I would like to thank Congressman
9 Hyde and Mayor Don Stephens for their assistance
10 in obtaining the use of this splendid facility.
11 Finally, I would like to thank the
12 citizens of the communities represented here today
13 that have supported the members of our armed
14 services for so many years making them feel
15 welcome and value to your towns. You are the true
16 patriots. Thank you very much.
17 This concludes the Chicago regional
18 hearing.
19 (Whereupon, the
20 above-entitled matter
21 was adjourned.)
22
23
24

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Patricia Wesley, being first duly sworn on oath, says that she is a Certified Shorthand Reporter, that she reported in shorthand the proceedings given at the taking of said hearing, and that the foregoing is a true and correct transcript of her shorthand notes so taken as a foresaid and contains all the proceedings given at said hearing.

Patricia Wesley
Certified Shorthand Reporter
License No. 084-002170

Subscribed and sworn to
before me this 17th day
of April A.D., 19

William R. Sanko
Notary Public

OFFICIAL SEAL
WILLIAM R. SANKO
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 1-22-98

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DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

CHICAGO REGIONAL HEARING

APRIL 12TH, 1995

THE ROSEMONT CONVENTION CENTER
9301 WEST BRYN MAWR
ROSEMONT, IL 60018

EXECUTIVE SECRETARIAT

CHICAGO, IL REGIONAL HEARING
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Wednesday, April 12, 1995

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3. ILLINOIS BASE INFORMATION

4. MISSOURI BASE INFORMATION

5. REMARKS BY THE CHAIR PRECEDING THE A.M. PUBLIC COMMENT PERIOD.

6. OPENING STATEMENT - AFTERNOON SESSION: CHAIRMAN DIXON

7. INDIANA BASE INFORMATION

8. KENTUCKY BASE INFORMATION

9. MICHIGAN BASE INFORMATION

10. OHIO BASE INFORMATION

11. WISCONSIN BASE INFORMATION

12. KANSAS BASE INFORMATION

13. REMARKS BY THE CHAIR PRECEDING THE P.M. PUBLIC COMMENT PERIOD.

14. LIST AND MAPS OF 1995 DOD RECOMMENDATIONS FOR CLOSURE AND REALIGNMENT

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

SCHEDULE FOR REGIONAL HEARING

ROSEMONT, ILLINOIS

April 12, 1995

10:00-10:10 a.m.	Opening remarks by Chairman Dixon	
10:10-11:00 a.m.	Illinois	50 minutes
11:05-12:05 p.m.	Missouri	60 minutes
12:10-12:40 p.m.	Public comment: Illinois, Missouri	
12:40-1:30 p.m.	break	
1:30-2:15 p.m.	Indiana	45 minutes
2:20-3:05 p.m.	Kentucky	45 minutes
3:10-3:50 p.m.	Michigan	40 minutes
3:50-4:00 p.m.	break	
4:00-4:25 p.m.	Ohio	25 minutes
4:30-4:35 p.m.	Wisconsin	5 minutes
4:40-4:45 p.m.	Kansas	5 minutes
4:50-5:20 p.m.	Public comment: Indiana, Kentucky, Michigan, Ohio, Wisconsin, Kansas	

(AS OF 3/24/95)

CHICAGO REGIONAL HEARING
APRIL 12, 1995

FACT SHEET

COMMISSIONERS ATTENDING:

Chairman Alan J. Dixon
Commissioner Al Cornella
Commissioner Lee Kling
Commissioner Ben Montoya
Commissioner Joe Robles
Commissioner Wendi Steele

STAFF ATTENDING:

Ben Borden
Jeff Campbell
Cristin Ciccone
Bob Cook
Madelyn Creedon
Dave Fuchs
JJ Gertler
Bob Gibson
Craig Hall
Paul Hegarty
Mike Kennedy
Brian Kerns
Jim Landrith
David Lyles
Bob Miller
Wade Nelson
Jim Owsley
Chuck Pizer
Charlie Smith
Althnett Turner

Itinerary

Tuesday, April 11

1:35PM MT Ben Montoya departs Albuquerque en route Chicago O'Hare (via Dallas): American flight 2080.

2:10PM ET Al Cornella departs Columbus, OH en route Chicago O'Hare: United flight 1537.

2:30PM CT Al Cornella arrives Chicago O'Hare from Columbus, OH: United flight 1537
* Will be picked up by Commission staff and escorted to RON.

4:45PM CT Lee Kling departs Dubuque, IA en route Chicago O'Hare American flight 758.

5:45PM CT Lee Kling arrives Chicago O'Hare from Dubuque: American flight 758
* Will be picked up by personal friends and escorted to the Standard Club where he will overnight.

8:12PM CT Ben Montoya arrives Chicago O'Hare from Albuquerque (via Dallas): American flight 226
* Will be picked up by Commission staff and escorted to RON.

AIRPORT CHICAGO RON: **The Hyatt Regency O'Hare**
9300 Brynmawr Drive
708-696-1234
Cornella
Montoya

DOWNTOWN CHICAGO RON: **The Standard Club**
320 S. Plymouth Court
312-427-9100
Kling

Wednesday, April 12

6:30AM CT Wendi Steele departs Houston Hobby Airport en route Chicago O'Hare: Northwest flight 470.

7:01AM CT Joe Robles departs San Antonio, TX en route Chicago O'Hare: American flight 290.

THIS SECTION WILL BE INSERTED PRIOR TO THE START OF THE HEARING

MISSOURI

60 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

11:05AM - 11:09AM	**4 minutes**	**Governor Mel Carnahan**
11:09AM - 11:13AM	**4 minutes**	**Mayor Freeman Bosley, Jr.**
11:13AM - 11:43AM	**30 minutes**	**Richard C.D. Fleming** **President and CEO,** **Regional Commerce & Growth Assn.** **Col. Philip R. Hoge, USA (Ret)** **Director, St. Louis Defense Task Force**
11:43AM - 11:55AM	**12 minutes**	**Woody Overton** **Regional Administrator, GSA** **Thomas Walker** **Asst. Regional Administrator- GSA**
11:55AM - 12:05PM	**10 minutes**	**Question and answer period**

MISSOURI

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CHICAGO, IL REGIONAL HEARING
WEDNESDAY, APRIL 12, 1995

MISSOURI STATE MAP

AVIATION AND TROOP COMMAND

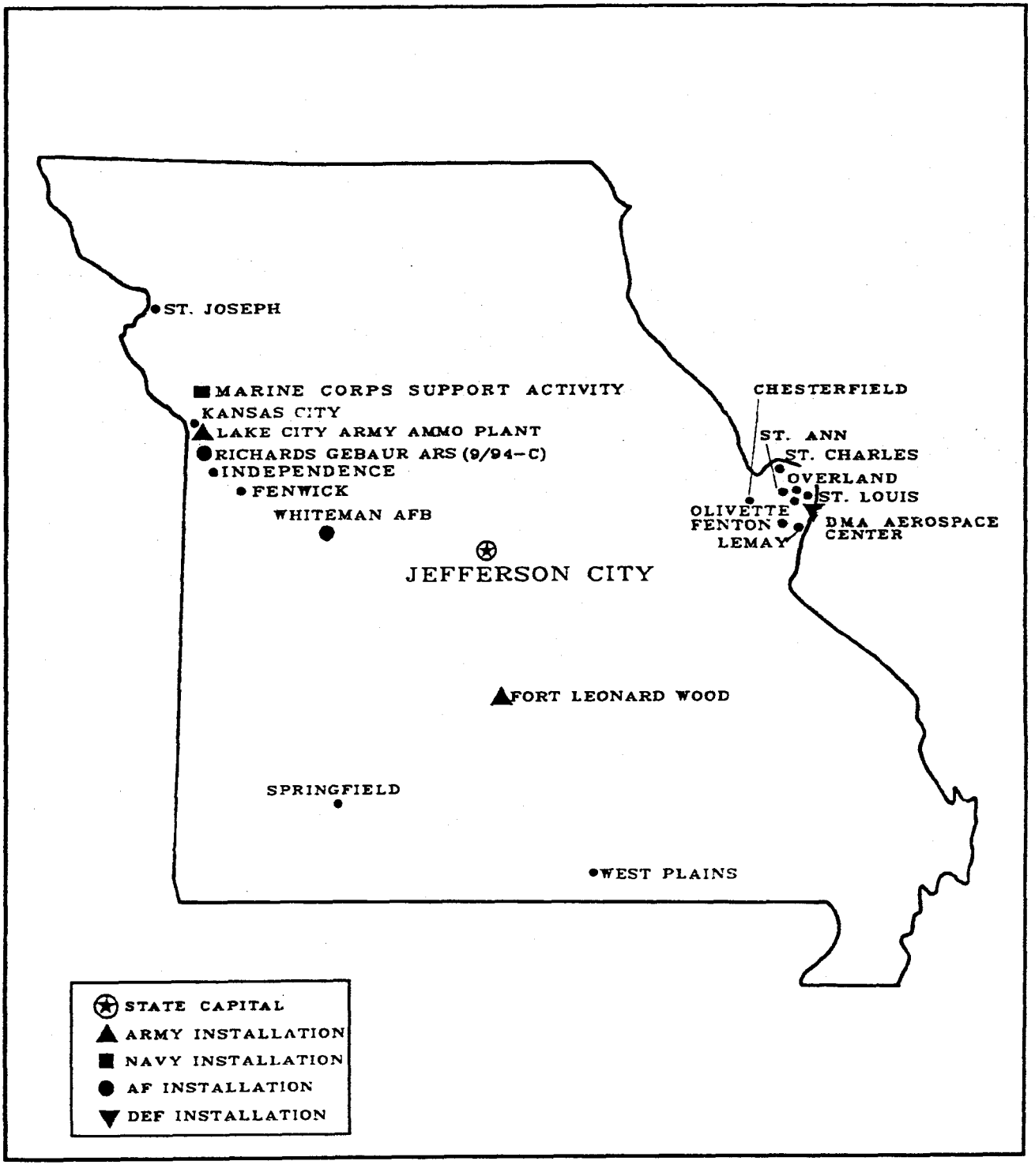
-Facility Summary Sheet
-DoD Recommendation
-Commission Base Visit Report
-Press Articles & Correspondence

STATE CLOSURE HISTORY

COMMISSIONER QUESTIONS FOR WITNESSES

MAP NO. 26

MISSOURI



Prepared By: Washington Headquarters Services
Directorate for Information
Operations and Reports

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1995 DoD Recommendations and Justifications

Aviation-Troop Command, Missouri

Recommendation: Disestablish Aviation-Troop Command (ATCOM), and close by relocating its missions/functions as follows:

- Relocate Aviation Research, Development & Engineering Center; Aviation Management; and Aviation Program Executive Offices to Redstone Arsenal, Huntsville, AL, to form the Aviation & Missile Command.
- Relocate functions related to soldier systems to Natick Research, Development, Engineering Center, MA, to align with the Soldier Systems Command.
- Relocate functions related to materiel management of communications-electronics to Fort Monmouth, NJ, to align with Communications-Electronics Command.
- Relocate automotive materiel management functions to Detroit Arsenal, MI, to align with Tank-Automotive and Armaments Command.

Justification: In 1993, the Commission suggested that DoD direct the Services to include a separate category for leased facilities to ensure a bottom-up review of leased space. The Army has conducted a review of activities in leased space to identify opportunities for relocation onto military installations. Because of the cost of leasing, the Army's goal is to minimize leased space, when feasible, and maximize the use of government-owned facilities.

In 1991, the Commission approved the merger of Aviation Systems Command and Troop Systems Command (ATCOM). It also recommended that the Army evaluate the relocation of these activities from leased space to government-owned facilities and provide appropriate recommendations to a subsequent Commission. In 1993, the Army studied the possibility of relocating ATCOM to a military installation and concluded it would be too costly. It is evident that restructuring ATCOM now provides a financially attractive opportunity to relocate.

Significant functional efficiencies are also possible by separating aviation and troop support commodities and relocating these functions to military installations. The aviation support functions realign to Redstone Arsenal to form a new Aviation & Missiles Command. The troop support functions realign to Natick, MA to align with the new Soldier Systems Command.

This recommendation preserves crucial research and development functions while optimizing operational efficiencies. Moving elements of ATCOM to Natick and Redstone Arsenal improves the synergistic effect of research, development and engineering, by facilitating the interaction between the medical, academic, and industrial communities already present in these regions. Vacating the St. Louis lease will collocate/consolidate similar life cycle functions at military installations for improved efficiencies and effectiveness.

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St. Louis Post-Dispatch

March 1, 1995, Wednesday, FIVE STAR Edition

SECTION: NEWS; Pg. 1A

LENGTH: 1055 words

HEADLINE: BASES BATTLE SEEMS LOST; PRICE CENTER JOINS ATCOM ON CLOSING LIST

BYLINE: Kathleen Best Post-Dispatch Washington Bureau

DATELINE: WASHINGTON

BODY:

The St. Louis area faces long odds in its fight to save almost 5,000 jobs at military installations in St. Louis and Granite City that were slated for closure by the Pentagon on Tuesday.

Odds are much better that Fort Leonard Wood may finally become the new home of the Chemical and Military Police schools and the Chemical Defense Training Facility, now housed at Fort McClellan in Alabama.

The move, which the Army tried but failed to pull off in the past, would bring 1,131 new military jobs and 342 new civilian jobs to southwest Missouri if the state approves environmental permits that would allow construction of a building to train soldiers how to handle lethal chemical agents.

David Shorr, director of the Missouri Department of Natural Resources, said his agency expected to begin work on the permit applications as soon as today and that it hoped to make final decisions within 90 days.

"We will prioritize the application," he said. "We want an answer either thumbs up or thumbs down before July 1," when the independent Defense Base Closure and Realignment Commission makes final its review of the Defense Department recommendations.

Defense Secretary William Perry called Tuesday for the shutdown of both the Army Aviation and Troop Command, with 4,731 jobs in St. Louis, and the Charles Melvin Price Support Center, with 225 jobs in Granite City.

The St. Louis Regional Commerce & Growth Association said Tuesday that it planned to lead the fight to keep the facilities operating. But it conceded that fewer than 15 percent of bases tagged for closure in the past managed to change their fate.

"It's a possibility," said Rep. William L. Clay, D-St. Louis. "But I would think it's a slim possibility."

Perry's list was based on reviews conducted by each of the four military branches. The base closure commission will use the Pentagon list as the starting point for its deliberations. It may add or delete bases from the list before making its recommendations this summer to Congress and the president. Congress may accept or reject the recommendations in total and cannot change them.

Defense Department officials said the Army had targeted the Army Aviation and roop Command, also known as ATCOM, in part because it operates out of leased pace at 4300 Goodfellow Boulevard in St. Louis that costs more than $ 7 million ent annually. The Army's landlord is the General Services Administration, a al agency.

ohn Nerger, deputy director of the Army Basing Study at the Pentagon, said he Defense Department was directed during the last round of base closings to ake a close look at operations on leased ground. That moved ATCOM to the top of he list. ATCOM oversees parts and supplies for Army and Air Force helicopters.

The Price Center made the Pentagon hit list because it provides support ervices for ATCOM. With no ATCOM in St. Louis, the Pentagon is recommending hat Price be turned into a storage center with 121 military and 79 civilian orkers - a loss of 25 military and 200 civilian jobs, including contractors.

Nerger said almost 2,850 civilian employees at ATCOM would be offered the hance to follow their jobs if they leave St. Louis. Under the Defense epartment plan, ATCOM operations would be parceled out this way:

The Redstone Arsenal in Huntsville, Ala., would become the new home of the viation Research, Development and Engineering Center, Aviation Management, and he Aviation Program Executive Office. Those three operations employ 201 ilitary and 2,368 civilian workers in St. Louis. A new Aviation and Missile ommand would be formed at Redstone.

The Natick Research, Development and Engineering Center in Natick, Mass., ould take over soldier-related services, such as development of clothing and ment, as part of its Soldier Systems Command. That move would affect two ary and 160 civilian jobs in St. Louis.

e Communications-Electronics Command at Fort Monmouth, N.J., would absorb ommunications-related materiel management now conducted in St. Louis by 167 ivilians.

The Tank-Automotive and Armaments Command at the Detroit Arsenal in Michigan ould absorb the automotive materiel management operations in St. Louis, which mploy 154 civilians.

Nerger said the Army would try to find other employment in the area or nearby or 1,066 other ATCOM employees in St. Louis. Their best bet for a new job may e at Fort Leonard Wood, a net winner under the Defense Department base closure lan.

Nerger said the Army hoped to have a new chemical school open and operating here by the turn of the century. Whether the military can meet that deadline ill depend as much on what happens in Jefferson City as Washington in the next ew months.

Because the chemical school will include a building where lethal chemicals ill be used in training, it must first pass muster with state environmental fficials. Shorr, Missouri's natural resources director, said that the training uilding would require an air quality permit but that it was unlikely to need azardous waste or water permits because the amounts of toxic chemicals used will be small.

Missouri Reps. Bill Emerson, a Republican, and Ike Skelton, a Democrat, both urged Gov. Mel Carnahan on Tuesday to expedite the permit process.

"This is a direct boost to our region's economy," Emerson said.

Bipartisanship also reigned in eastern Missouri, where Republican and Democratic members of Congress vowed to try to save the ATCOM and Price centers.

"I think it's realistic that it could be (saved), and I think it should be," said Rep. Jim Talent, R-Mo. ATCOM "is not a superfluous installation. It takes care of helicopters from cradle to grave. Splitting that up in seven different places, I don't think, will improve efficiency."

Reps. Clay and Jerry Costello of Belleville, both Democrats, concurred.

"We have to try to convince the (base closing) commission, and if not, the president," Clay said.

Costello said the fact that the Army wanted to keep some operations going at Price provided a glimmer of hope. "We believe the fact that the (defense) secretary is recommending that (an Army) reserve unit stay at Price presents an opportunity for us to argue that Price is a spot where other things could be located," he said.

GRAPHIC: PHOTO; Color Photo by Wayne Crosslin/Post-Dispatch - Dennis Allward, an employee at the Army Aviation and Troop Command, outside the facility on Tuesday. The Pentagon has recommended closing ATCOM, 4300 Goodfellow Boulevard, and the Army's Charles Melvin Price Support Center in Granite City.

LANGUAGE: English

LOAD-DATE-MDC: March 2, 1995

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CLOSURE HISTORY - INSTALLATIONS IN MISSOURI

04-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	FORT LEONARD WOOD	88	DEFBRAC	COMPLETE	REALGNUP	1988 DEFBRAC: Approximately 20 percent of basic and advanced individual training load realigned from Fort Dix, NJ; completed FY 91 Motor vehicle operator advanced individual training realigned from Fort Dix, NJ; completed FY 92 Realign light wheeled vehicle mechanic advanced individual training to Fort Jackson, SC; completed FY 93
	GATEWAY ARMY AMMUNITION PLANT					
	LAKE CITY ARMY AMMUNITION PLANT					
	NIKE KANSAS CITY 30	88	DEFBRAC	COMPLETE	CLOSE	1988 DEFBRAC: Close; completed FY 88; pending disposal
	ST LOUIS ARMY AMMUNITION PLANT					
	ST. LOUIS FEDERAL CENTER	90/91	PRESS/DBCRC	ONGOING	REALGNDN	1990 PRESS: Inactivate Troop Support Command (Changed by Public Law 101-510) 1991 DBCRC: Merge Aviation Systems Command and Troop Support Command; completed FY 93 Evaluate relocation of these activities from leased space to government-owned facilities and provide appropriate recommendations to the 1993 Defense Base Closure and Realignment Commission (Relocation proved too costly due to number of civilians affected; lease costs reduced 25 percent by reducting number of facilities occupied.)
AF						
	JEFFERSON BARRACKS AGS					
	LAMBERT ST LOUIS IAP AGS					

CLOSURE HISTORY - INSTALLATIONS IN MISSOURI

04-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	RICHARDS GEBAUR ARS	91	DBCRC	COMPLETE	CLOSE/9-94	1991 DBCRC: CLOSED (Realigned). (Completed Sep 30, 1994). Directed transfer of the 442nd Tactical Fighter Wing to Whiteman AFB, MO. Directed transfer of the 36th Aeromedical Evacuation Squadron and the 77th and 78th Aerial Port Squadrons to Peterson AFB, CO.
	ROSECRANS MEMORIAL AIRPORT AGS					
	WHITEMAN AFB	91	DBCRC	ONGOING	REALGNUP	1991 DBCRC: Directed transfer of the 442nd Tactical Fighter Wing from Closing Richards-Gebaur AFB, MO to Whiteman AFB.
D						
	DEFENSE MAPPING AGENCY AEROSPACE CENTE					
N						
	NRC JOPLIN	93	DBCRC	ONGOING	CLOSE	1993 DBCRC: Recommended closure of the Naval Reserve Center Joplin, MO because its capacity is in excess of projected requirements.
	NRC ST JOSEPH	93	DBCRC	ONGOING	CLOSE	1993 DBCRC: Recommended closure of NRC St Joseph, Mo because its capacity is in excess of projected requirements.

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MISSOURI

1. Based on your knowledge of Federal activities in the St. Louis area, will the General Services Agency be able to backfill the space if ATCOM's moves.

2. Mr Overton You have testified GSA would have to relocate the remaining tenants from the Federal Center if ATCOM is relocated. Could you explain why these tenants could not stay at the Federal Center?

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

ALAN J. DIXON, CHAIRMAN

COMMISSIONERS:
AL CORNELLA
REBECCA COX
GEN J. B. DAVIS, USAF (RET)
S. LEE KLING
RADM BENJAMIN F. MONTOYA, USN (RET)
MG JOSUE ROBLES, JR., USA (RET)
WENDI LOUISE STEELE

REMARKS BY CHAIR AT BEGINNING OF PUBLIC COMMENT PORTION OF THE CHICAGO REGIONAL HEARING

WE ARE NOW READY TO BEGIN A PERIOD SET ASIDE FOR PUBLIC COMMENT. OUR INTENT IS TO TRY INSURE THAT ALL OPINIONS ON THE RECOMMENDATIONS OF THE SECRETARY AFFECTING THIS COMMUNITY ARE HEARD.

WE HAVE ASSIGNED 30 MINUTES FOR THIS COMMENT. WE HAVE ASKED PERSONS WISHING TO SPEAK TO SIGN UP BEFORE THE HEARING BEGAN, AND WE HAVE ASKED THEM TO LIMIT THEIR COMMENTS TO TWO MINUTES, AND WE WILL KEEP TRACK OF THE TIME.

OF COURSE, WRITTEN COMMENT OR TESTIMONY OF ANY LENGTH IS WELCOMED BY THE COMMISSION AT ANY TIME DURING THE PROCESS.

IF ALL THOSE SIGNED UP TO SPEAK WOULD PLEASE RISE AND RAISE YOUR RIGHTS HANDS, I WILL ADMINISTER THE OATH.

THANK YOU. WE ARE READY FOR THE FIRST SPEAKER.

THIS SECTION WILL BE INSERTED PRIOR TO THE START OF THE HEARING

INDIANA

45 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

1:30PM - 1:31PM	**1 minute**	**Mayor Stephen Goldsmith, Indianapolis, IN**
1:31PM - 1:41PM	**10 minutes**	**Senator Richard G. Lugar**
1:41PM - 1:46PM	**5 minutes**	**Congressman Andy Jacobs**
1:46PM - 1:50PM	**4 minutes**	**Mr. Glenn Lawrence** **Governor's Military Base Commission**
		<u>Naval Air Warfare Center- Indianapolis</u>
1:50PM - 2:10PM	**20 minutes**	**Mayor Stephen Goldsmith**
2:10PM - 2:15PM	**5 minutes**	**Question and Answer period**

INDIANA

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CHICAGO, IL REGIONAL HEARING
WEDNESDAY, APRIL 12, 1995

INDIANA STATE MAP

NAVAL AIR WARFARE CENTER, AIRCRAFT DIVISION

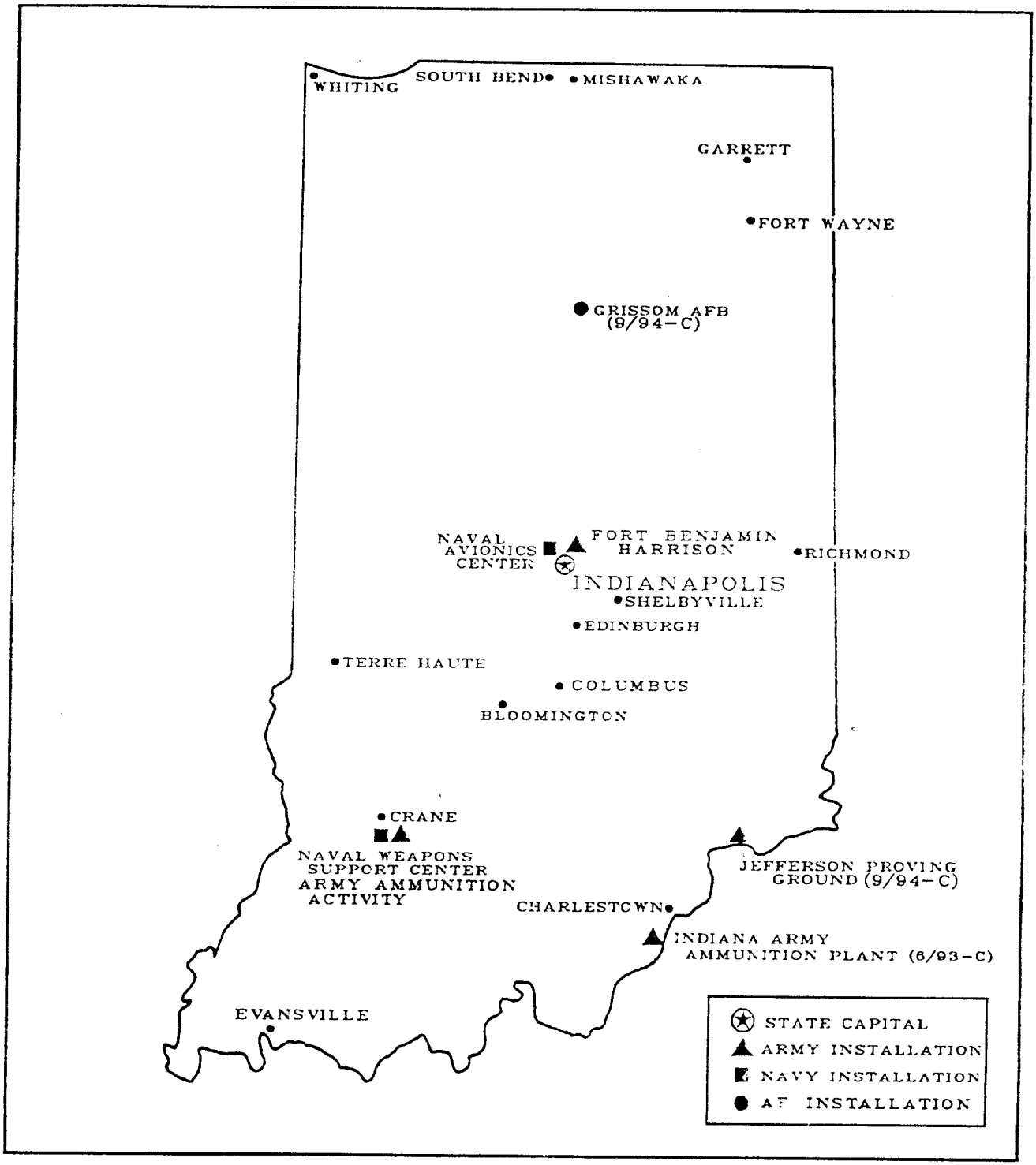
-Facility Summary Sheet
-DoD Recommendation
-Commission Base Visit Report
-Press Articles & Correspondence

STATE CLOSURE HISTORY

COMMISSIONER QUESTIONS FOR WITNESSES

MAP NO. 15

INDIANA



Prepared By: Washington Headquarters Services
Directorate for Information
Operations and Reports

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1995 DOD Recommendations and Justifications

Naval Air Warfare Center, Aircraft Division, Indianapolis, Indiana

Recommendation: Close the Naval Air Warfare Center (NAWC), Aircraft Division, Indianapolis, Indiana. Relocate necessary functions along with associated personnel, equipment and support to other naval technical activities, primarily Naval Surface Warfare Center, Crane, Indiana; Naval Air Warfare Center, Aircraft Division, Patuxent River, Maryland; and Naval Air Warfare Center, Weapons Division, China Lake, California.

Justification: There is an overall reduction in operational forces and a sharp decline of the DON budget through FY 2001. Specific reductions for technical centers are difficult to determine, because these activities are supported through customer orders. However, the level of forces and the budget are reliable indicators of sharp declines in technical center workload through FY 2001, which leads to a recognition of excess capacity in these activities. This excess and the imbalance in force and resource levels dictate closure/realignment or consolidation of activities wherever practicable. This recommended closure results in the closure of a major technical center and the relocation of its principal functions to three other technical centers, realizing both a reduction in excess capacity and significant economies while raising aggregate military value.

Return on Investment: The return on investment data below applies to the closure of Naval Surface Warfare Center Louisville and the closure of NAWC Indianapolis. The total estimated one-time cost to implement these recommendations is $180 million. The net of all costs and savings during the implementation period is a cost of $26.8 million. Annual recurring savings after implementation are $67.8 million with a return on investment expected in two years. The net present value of the costs and savings over 20 years is a savings of $639.9 million.

Impacts:

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 7,659 jobs (2,841 direct jobs and 4,818 indirect jobs) over the 1996-to-2001 period in the Boone-Hamilton-Hancock-Hendricks-Johnson-Marion-Morgan-Shelby Counties, Indiana, economic area, which is 0.9 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 2.2 percent of employment in the economic area.

Community Infrastructure Impact: There is no known community infrastructure impact at any receiving installation.

Environmental Impact: The closure of NAWC Indianapolis will have a positive effect on the environment because of the movement out of a region that is in marginal non-attainment for ozone. All three of the receiving sites (NSWC Crane, NAWC China Lake, and NAWC Patuxent River) are in areas that are in attainment for carbon monoxide, and the relocation of personnel from Indianapolis is not expected to have a significant effect on base operations at these sites. The utility infrastructure at each of these receiving bases is sufficient to handle these additional personnel, and this closure will not adversely impact threatened/endangered species, sensitive habitats and wetlands, or cultural/historical resources.

Document Separator

CLOSURE HISTORY - INSTALLATIONS IN INDIANA

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	ATTERBURY RESERVE TRAINING AREA					
	CRANE ARMY AMMUNITION ACTIVITY					
	FORT BENJAMIN HARRISON	88/91	DEFBRAC/DBCRC	ONGOING	CLOSE	1988 DEFBRAC: Headquarters, Fourth Army realigned from Fort Sheridan, IL; unit inactivated FY 92 Headquarters, U.S. Army Recruiting Command realigned from Fort Sheridan, IL (Changed to Fort Knox, KY by 1991 Defense Base Closure Commission) Personnel specialist advanced individual training load and cadre realigned from Fort Jackson, SC and consolidated with like training (Changed to remain at Fort Jackson by 1991 Defense Base Closure Commission) Realign administrative and legal specialist advanced individual training to, and consolidate with like training at, Fort Jackson, SC; completed FY 92 1991 DBCRC: Close installation, to include Building 1, but retain part of the installation to support Army Reserves; scheduled FY 96 Realign Soldier Support Center to Fort Jackson, SC; scheduled FY 95 Retain DOD Finance and Accounting Service, Indianapolis Center, but submit consolidation plan of the Defense Finance and Accounting Service to the 1993 Defense Base Closure and Realignment Commission (Plan not submitted to 1993 Defense Base Closure Commission)
	INDIANA ARMY AMMUNITION PLANT	88/90	DEFBRAC/PRESS	ONGOING	PART CLOSE	1988 DEFBRAC: Partially close; completed FY 93 1990 PRESS: Layaway; scheduled FY 96

CLOSURE HISTORY - INSTALLATIONS IN INDIANA

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	JEFFERSON PROVING GROUND	88	DEFBRAC	ONGOING	CLOSE	1988 DEFBRAC: Close and realign activities to Yuma Proving Ground, AZ; scheduled FY 93-95
	NEWPORT ARMY AMMUNITION PLANT					
AF						
	FT WAYNE MAP AGS					
	GRISSOM AFB	91	DBCRC	COMPLETE	CLOSE/9-94	1991 DBCRC: CLOSED. (Completed 30, 1994). Directed retirement of assigned EC-135s, inactivation of the 305th Air Refueling Wing, and the transfer of the KC-135s to the Air Reserve Component (in a cantonement area).
	HULMAN REGIONAL APT AGS					
N						
	N/MRC FT WAYNE	93	DBCRC	CLOSED	CLOSE	1993 DBCRC: Recommended closure of the Navy/Marine Corps Center at Ft Wayne, IN because its capacity is excess to projected requirements.
	NAV WEAPONS SUPPORT CTR CRANE	91	DBCRC	ONGOING	REALIGNDN	1991 DBCRC: Recommended realignment as part of the Naval Surface Warfare Center, Combat & Weapons System Engineering and Industrial Base Directorate.
	NAVAL AVIONICS CENTER, INDIANAPOLIS	91	DBCRC	ONGOING	REALIGNDN	1991 DBCRC: Recommended realignment as part of the Naval Air Warfare Center, Aircraft Division.
	NRC TERRE HAUTE	93	DBCRC	CLOSED	CLOSE	1993 DBCRC: Recommended closure of the Naval Reserve Center Terre Haute, IN because its capacity is in excess of projected requirements.

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INDIANA

1. Has the city or state agreed to furnish bonds, or a like vehicle to aid in your proposed privatization?

2. Do you require a sole source arrangement from the Navy to accomplish this privatization?

3. Does NSWC Crane support your proposal linking to them?

KENTUCKY

45 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

TBD	**TBD**	**Congressman Mike Ward**
TBD	**TBD**	**Mr. David Armstrong** **Jefferson County Judge/Executive**
TBD	**TBD**	**Mayor Jerry Abramson** **City of Louisville**
TBD	**TBD**	**Congressman Ron Mazzoli** **Former Member of Congress and Chairman of the Louisville Area Chamber of Commerce Community Task Force**
TBD	**TBD**	**Mr. Larry Craig** **International Association of Machinists**

KENTUCKY

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WEDNESDAY, APRIL 12, 1995

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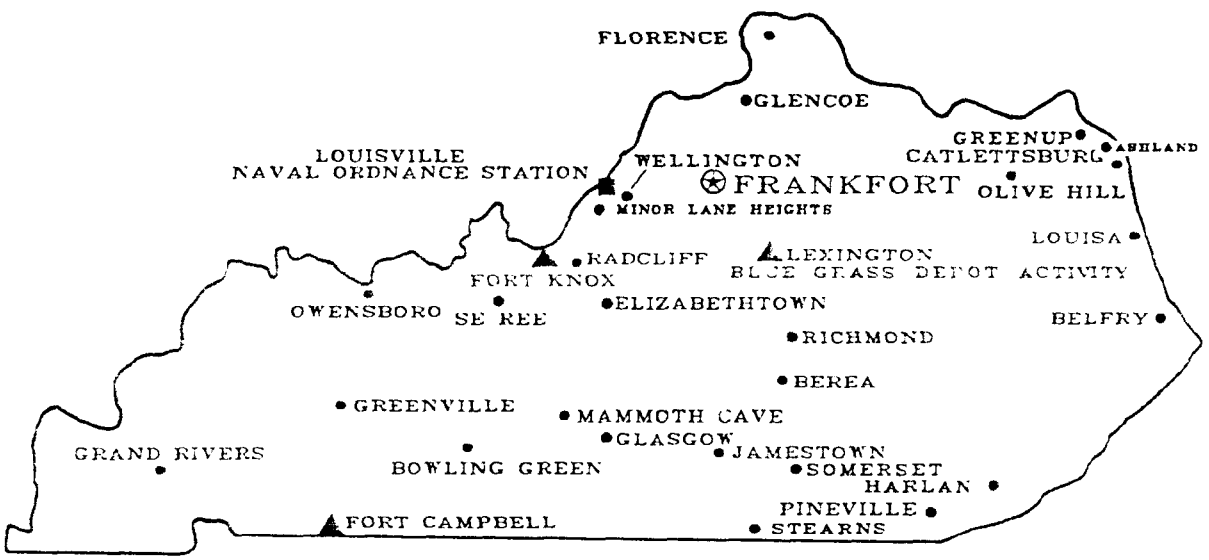
-Commission Base Visit Report
-Press Articles & Correspondence

STATE CLOSURE HISTORY

COMMISSIONER QUESTIONS FOR WITNESSES

MAP NO. 18

KENTUCKY



STATE CAPITAL
ARMY INSTALLATION
NAVY INSTALLATION
AF INSTALLATION

Prepared By: Washington Headquarters Services
Directorate for Information
Operations and Reports

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1995 DOD Recommendations and Justifications

Naval Surface Warfare Center, Crane Division Detachment, Louisville, Kentucky

Recommendation: Close the Naval Surface Warfare Center, Crane Division Detachment, Louisville, Kentucky. Relocate appropriate functions, personnel, equipment, and support to other naval activities, primarily the Naval Shipyard, Norfolk, Virginia; the Naval Surface Warfare Center, Port Hueneme, California; and the Naval Surface Warfare Center, Crane, Indiana.

Justification: There is an overall reduction in operational forces and a sharp decline of the DON budget through FY 2001. Specific reductions for technical centers are difficult to determine, because these activities are supported through customer orders. However, the level of forces and the budget are reliable indicators of sharp declines in technical center workload through FY 2001, which leads to a recognition of excess capacity in these activities. This excess and the imbalance in force and resource levels dictate closure/realignment or consolidation of activities wherever practicable. Consistent with the Department of the Navy's efforts to remove depot level maintenance workload from technical centers and return it to depot industrial activities, this action consolidates ships' systems (guns) depot and general industrial workload at NSYD Norfolk, which has many of the required facilities in place. The functional distribution of workload in this manner offers an opportunity for cross-servicing part of the gun plating workload to the Watervliet Arsenal in New York. System integration engineering will relocate to NSWC Port Hueneme, with the remainder of the engineering workload and Close-in-Weapons System (CIWS) depot maintenance functions relocating to NSWC Crane. The closure of this activity not only reduces excess capacity, but relocation of functional workload to activities performing similar work will result in additional efficiencies and economies in the management of those functions.

Return on Investment: The return on investment data below applies to the closure of NSWC Louisville and the closure of NAWC Indianapolis. The total estimated one-time cost to implement these recommendations is $180 million. The net of all costs and savings during the implementation period is a cost of $26.8 million. Annual recurring savings after implementation are $67.8 million with a return on investment expected in two years. The net present value of the costs and savings over 20 years is a savings of $639.9 million.

Impacts:

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 3,791 jobs (1,464 direct jobs and 2,327 indirect jobs) over the 1996-to-2001 period in the Louisville, Kentucky-Indiana MSA economic area, which is 0.7 percent of economic area employment.

Community Infrastructure Impact: There is no known community infrastructure impact at any receiving installation.

Environmental Impact: The closure of NSWC Louisville will have a generally positive impact on the environment because a major industrial operation will be closing in an area that is in moderate non-attainment for ozone. To the extent the relocations from this recommendation trigger the requirement for a conformity determination to assess the impact on the air quality of the areas in which each of the receiving sites are located, such determinations will be prepared. One of the most significant environmental benefits resulting from this recommendation is the transfer of workload from NSWC Louisville to the Watervliet Arsenal, New York, to accomplish plating operations which the Norfolk Naval Shipyard currently cannot perform. This transfer reduces the DoD-wide facilities required to perform the programmed plating work. There are no impacts on threatened/endangered species, sensitive habitats and wetlands, or cultural resources occasioned by this recommendation.

Document Separator

CLOSURE HISTORY - INSTALLATIONS IN KENTUCKY

04-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	FORT CAMPBELL					
	FORT KNOX	88/90/91	DEFBRAC/PR/DBCRC	COMPLETE	REALGNUP	1988 DEFBRAC: Approximately 30 percent of basic training load realigned from Fort Dix, NJ; units inactivated due to force structure reductions 1990 Press Release: Downsize 194th Armored Brigade; completed FY 92. 1991 DBCRC: Headquarters, U.S. Army Recruiting Command realigned from Fort Sheridan, IL (Change to 1988 SECDEF Commission recommendation); scheduled FY 92-93
	LEXINGTON BLUEGRASS ARMY DEPOT	88	DEFBRAC	ONGOING	CLOSE	1988 DEFBRAC: Close Lexington portion; scheduled FY 95 Realign supply and material-readiness mission to Letterkenny Army Depot, PA; completed FY 93 Realign communications-electronics mission to Tobyhanna Army Depot, PA; scheduled FY 93-94 Realign central test management mission to Redstone Arsenal, AL; completed FY 92
AF						
	STANDIFORD FIELD AGS					
N						
	NAVAL ORDNANCE STATION LOUISVILLE	91	DBCRC	ONGOING	REALIGNDN	1991 DBCRC: Recommended realignment as part of the Naval Surface Warfare Center, Combat & Weapon System Engineering and Industrial Base Directorate.

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KENTUCKY

1. Last week we saw the metal plating facility at Louisville, which is state-of-the-art. We understand that it is currently underutilized. Do you anticipate that FMC and Hughes will take over operations of this particular facility.

MICHIGAN

40 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

3:10PM - 3:18PM	8 minutes	Senator Carl Levin
3:18PM - 3:25PM	7 minutes	Ms. Candice Miller, Secretary of State
		<u>Detroit Arsenal</u>
3:25PM - 3:29PM	4 minutes	Mr. Ben Polselli UAW Local President Mr. James Coakley UAW Representative
3:29PM - 3:32PM	3 minutes	Question period for Detroit Arsenal
		<u>Selfridge Army Garrison</u>
3:32PM - 3:36PM	4 minutes	Col LeoWilliams (USMCR) Regional Marketing Manager, Ford Motor Company
3:36PM - 3:38PM	2 minutes	State Senator Ken DeBeaussaert
3:38PM - 3:40PM	2 minutes	State Representative Tracey Yokich
3:40PM - 3:42PM	2 minutes	Ms. Pamela Weeks Harrison Township Supervisor
3:42PM - 3:50PM	8 minutes	Question period for Selfridge Army Garrison

MICHIGAN

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NAVY AIR FACILITY DETROIT

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-DoD Recommendation
-Commission Base Visit Report
-Press Articles & Correspondence

NAVAL RESERVE CENTER CADILLAC

-Facility Summary Sheet
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-Commission Base Visit Report
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US ARMY GARRISON, SELFRIDGE

-Facility Summary Sheet
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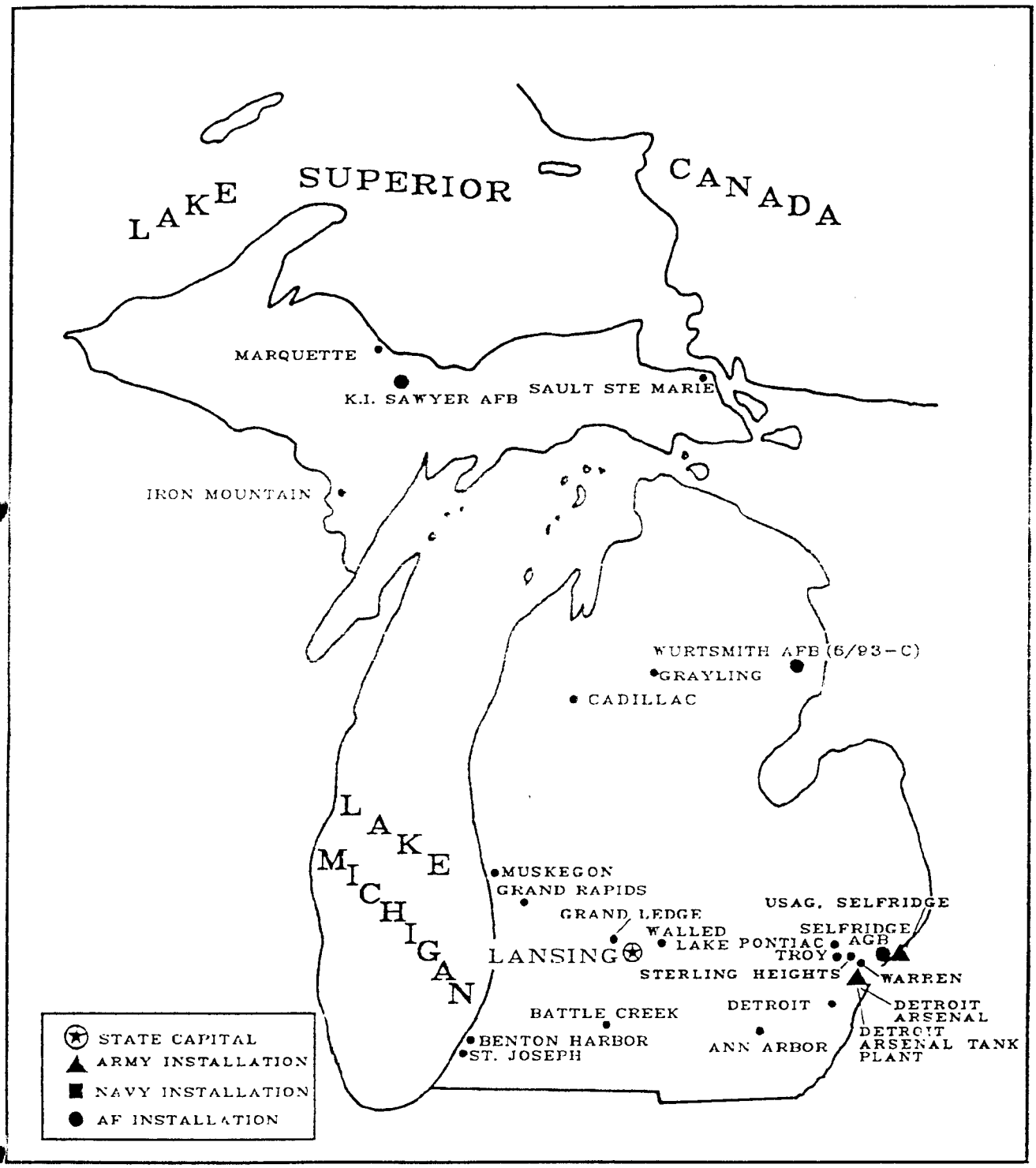
-Commission Base Visit Report
-Press Articles & Correspondence

STATE CLOSURE HISTORY

COMMISSIONER QUESTIONS FOR WITNESSES

MAP NO. 23

MICHIGAN



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Operations and Reports

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1995 DoD Recommendations and Justifications

Detroit Arsenal, Michigan

Recommendation: Realign Detroit Arsenal by closing and disposing of the Detroit Army Tank Plant.

Justification: Detroit Tank Plant, located on Detroit Arsenal, is one of two Army Government-Owned, Contractor-Operated tank production facilities. A second facility is located at Lima, Ohio, (Lima Army Tank Plant). The Detroit plant is not as technologically advanced as the Lima facility and is not configured for the latest tank production. Moreover, retaining the plant as a "rebuild" facility is not practical since Anniston Army Depot is capable of rebuilding and repairing the M1 Tank and its principal components. Accordingly, the Detroit Tank Plant is excess to Army requirements.

Return on Investment: The total one-time cost to implement this recommendation is $1 million. The net of all costs and savings during the implementation period is a savings of $8 million. Annual recurring savings after implementation are $3 million with an immediate return on investment. The net present value of the costs and savings over 20 years is a savings of $38 million.

Impacts: This recommendation will not affect any jobs in the Detroit, MI Primary Metropolitan Statistical Area. There are no known environmental impediments at the realigning site.

Document Separator

1995 DoD Recommendations and Justifications

Naval Air Facility, Detroit, Michigan

Recommendation: Change the receiving site specified by the 1993 Commission (1993 Commission Report, at page 1-25) for the Mt. Clemons, Michigan Marine Corps Reserve Center, including MWSG-47 and supporting units, from "Marine Corps Reserve Center, Twin Cities, Minnesota" to "Air National Guard Base, Selfridge, Michigan."

Justification: In addition to avoiding the costs of relocating the reserve unit from this reserve center to Minnesota, this redirect maintains a Marine Corps recruiting presence in the Detroit area, which is a demographically rich recruiting area, and realizes a principal objective of the Department of Defense to effect multi-service use of facilities.

Return on Investment: There are no one-time costs to implement this recommendation. The net of all costs and savings during the implementation period is a savings of $9.4 million. There are no annual recurring savings, and an immediate return on investment is obtained. The net present value of the costs and savings over 20 years is a savings of $9.3 million.

Impacts:

Economic Impact on Communities: Since this action affects unexecuted relocations resulting from prior BRAC recommendations, it causes no net change in current employment in the Minneapolis-St. Paul, Minnesota-Wisconsin MSA economic area. However, the anticipated small increase in the employment base in this economic area will not occur.

Community Infrastructure Impact: There is no known community infrastructure impact at any receiving installation.

Environmental Impact: The collocation of MWSG-47 and supporting units to National Guard facilities permits this activity to remain in its present location. Both the Air National Guard Base, Selfridge and the closing Naval Air Facility Detroit are in the same Air Quality Control District. Therefore, there will be no air quality changes on account of this recommendation. The elimination of the transfer of this Reserve Center to NARCEN Twin Cities will have a positive effect on the air quality of the Minneapolis/St. Paul Air Quality Control District.

Document Separator

1995 DoD Recommendations and Justifications

Reserve Centers/Commands

Recommendation:
Close the following Naval Reserve Centers:

Stockton, California
Pomona, California
Santa Ana, Irvine, California
Laredo, Texas
Sheboygan, Wisconsin
Cadillac, Michigan
Staten Island, New York
Huntsville, Alabama

Close the following Naval Air Reserve Center:

Olathe, Kansas

Close the following Naval Reserve Readiness Commands:

Region Seven - Charleston, South Carolina
Region Ten - New Orleans, Louisiana

Justification: Existing capacity in support of the Reserve component continues to be in excess of the force structure requirements for the year 2001. These Reserve Centers scored low in military value, among other things, because there were a fewer number of drilling reservists than the number of billets available (suggesting a lesser demographic pool from which to recruit sailors), or because there was a poor use of facilities (for instance, only one drill weekend per month). Readiness Command (REDCOM) 7 has management responsibility for the fewest number of Reserve Centers of the thirteen REDCOMs, while REDCOM 10 has management responsibility for the fewest number of Selected Reservists. In 1994, nearly three-fourths of the authorized SELRES billets at REDCOM 10 were unfilled, suggesting a demographic shortfall. In addition, both REDCOMs have high ratios of active duty personnel when compared to SELRES supported. The declining Reserve force structure necessitates more effective utilization of resources and therefore justifies closing these two REDCOMs. In arriving at the recommendation to close these Reserve Centers/Commands, specific analysis was conducted to ensure that there was either an alternate location available to accommodate the affected Reserve population or demographic support for purpose of force recruiting in the areas to which units were being relocated. This specific analysis, verified by the COBRA analysis, supports these closures.

Return on Investment: The total estimated one-time cost to implement the closure of NRC Stockton is $45 thousand. The net of all costs and savings during the implementation period is a savings of $2 million. Annual recurring savings after implementation are $0.4 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5.4 million.

The total estimated one-time cost to implement the closure of NRC Pomona is $48 thousand. The net of all costs and savings during the implementation period is a savings of $1.9 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5.1 million.

The total estimated one-time cost to implement the closure of NRC Santa Ana is $41 thousand. The net of all costs and savings during the implementation period is a savings of $3 million. Annual recurring savings after implementation are $0.5 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $8.1 million.

The total estimated one-time cost to implement the closure of NRF Laredo is $27 thousand. The net of all costs and savings during the implementation period is a savings of $1.4 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $3.8 million.

The total estimated one-time cost to implement the closure of NRC Sheboygan is $31 thousand. The net of all costs and savings during the implementation period is a savings of $1.5 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $4.1 million.

The total estimated one-time cost to implement the closure of NRC Cadillac is $46 thousand. The net of all costs and savings during the implementation period is a savings of $1.8 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5 million.

The total estimated one-time cost to implement the closure of NRC Staten Island is $43 thousand. The net of all costs and savings during the implementation period is a savings of $4.5 million. Annual recurring savings after implementation are $0.6 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $9.8 million.

The total estimated one-time cost to implement the closure of NRC Huntsville is $51 thousand. The net of all costs and savings during the implementation period is a savings of $2.6 million. Annual recurring savings after implementation are $0.5 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $7.2 million.

The total estimated one-time cost to implement the closure of NARCEN Olathe is $0.2 million. The net of all costs and savings during the implementation period is a savings of $3.9 million. Annual recurring savings after implementation are $0.7 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $10.9 million.

The total estimated one-time cost to implement the closure of NRRC Charleston is $0.5 million. The net of all costs and savings during the implementation period is a savings of $14.4 million. Annual recurring savings after implementation are $2.7 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $39.9 million.

The total estimated one-time cost to implement the closure of NRRC New Orleans is $0.6 million. The net of all costs and savings during the implementation period is a savings of $6 million. Annual recurring savings after implementation are $1.9 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $23.8 million.

Impacts:

Economic Impact on Communities: Assuming no economic recovery, the closure of NRC Stockton could result in a maximum potential reduction of 10 jobs (7 direct jobs and 3 indirect jobs) over the 1996-to-2001 period in the Stockton-Lodi, California MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential increase equal to 0.6 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Pomona could result in a maximum potential reduction of 15 jobs (10 direct jobs and 5 indirect jobs) over the 1996-to-2001 period in the Los Angeles-Long Beach, California PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.4 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Santa Ana could result in a maximum potential reduction of 21 jobs (14 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the Orange County, California PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRF Laredo could result in a maximum potential reduction of 8 jobs (6 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Laredo, Texas MSA economic area, which is less than 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Sheboygan could result in a maximum potential reduction of 8 jobs (6 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Sheboygan, Wisconsin MSA economic area, which is less than 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Cadillac could result in a maximum potential reduction of 10 jobs (8 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Wexford County, Michigan economic area, which is 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Staten Island could result in a maximum potential reduction of 21 jobs (14 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the New York, New York PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Huntsville could result in a maximum potential reduction of 26 jobs (19 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the Madison County, Alabama economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential increase equal to 2.7 percent of employment in the economic area.

Assuming no economic recovery, the closure of NARCEN Olathe could result in a maximum potential reduction of 22 jobs (14 direct jobs and 8 indirect jobs) over the 1996-to-2001 period in the Kansas City, Missouri-Kansas MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRRC Charleston could result in a maximum potential reduction of 67 jobs (46 direct jobs and 21 indirect jobs) over the 1996-to-2001 period in the Charleston-North Charleston, South Carolina MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 8.4 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRRC New Orleans could result in a maximum potential reduction of 73 jobs (47 direct jobs and 26 indirect jobs) over the 1996-to-2001 period in the New Orleans, Louisiana MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to less than 0.1 percent of employment in the economic area.

Community Infrastructure Impact: There is no known community infrastructure impact at any receiving installation.

Environmental Impact: The closure of these Reserve Centers and Readiness Commands generally will have a positive impact on the environment since, with the exception of REDCOM 10, they concern closures with no attendant realignments of personnel or functions. In the case of REDCOM 10, the movement of less than 10 military personnel to REDCOM 11, Dallas, Texas, is not of such a size as to impact the environment. Further, there is no adverse impact on threatened/endangered species, sensitive habitats and wetlands, or cultural/historical resources occasioned by this recommendation.

Document Separator

1995 DoD Recommendations and Justifications

Selfridge Army Garrison, Michigan

Recommendation: Close U.S. Army Garrison, Selfridge.

Justification: Closing Selfridge eliminates an installation that exists primarily to provide housing for activities (predominantly Detroit Arsenal) located in the immediate area although such support can be provided through a less costly alternative. Sufficient commercial housing is available on the local economy for military personnel using Variable Housing Allowance/Basic Allowance for Quarters. Closure avoids the cost of continued operation and maintenance of unnecessary support facilities. This recommendation will not degrade local military activities.

Return on Investment: The total one-time cost to implement this recommendation is $5 million. The net of all costs and savings during the implementation period is a savings of $47 million. Annual recurring savings after implementation are $10 million with an immediate return on investment. The net present value of the costs and savings over 20 years is a savings of $140 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 867 jobs (536 direct jobs and 331 indirect jobs) over the 1996-to-2001 period in the Detroit, MI Primary Metropolitan Statistical Area, which represents less than 0.1 percent of the area's employment.

The cumulative economic impact of all BRAC 95 recommendations and all prior round BRAC actions in this area over the 1994-to-2001 period could result in a maximum potential decrease equal to less than 0.1 percent of employment in the area. There are no known environmental impediments at the closing or receiving installations.

Document Separator

CLOSURE HISTORY - INSTALLATIONS IN MICHIGAN

04-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	DETROIT ARSENAL	88/91/93	DEFBRAC/DBCRC	ONGOING	REALGNUP	1988 DEFBRAC: Ceramics and related research functions realigned from the Army Materials Technology Laboratory, Watertown, MA (Changed to Aberdeen Proving Ground, MD by 1991 Defense Base Closure Commission) 1993 DBCRC: Supply, Bridging, Counter Mobility, Water Purification, and Fuel/Lubricant business areas of the Belvoir Research, Development, and Engineering Center realigned from Fort Belvoir, VA; scheduled FY 96
	DETROIT ARSENAL TANK PLANT	90	PRESS	COMPLETE	TERM ASSY	1990 PRESS: Terminate assembly; completed FY 91
	PONTIAC STORAGE FACILITY	88	DEFBRAC	COMPLETED	CLOSE	1988 DEFBRAC: Close; completed FY 94 Realign all stocks to Seneca Army Depot, NY; completed FY 91
	TANK AUTOMOTIVE COMMAND - WARREN	91/93	DBCRC	ONGOING	REALGNDN	1991 DBCRC: Realign Ground Vehicle Propulsion Basic and Applied Research Activity to NASA-Lewis Research Center, Cleveland, OH; completed FY 93
	US ARMY GARRISON, SELFRIDGE					
AF						
	K. I. SAWYER AFB	91/93	DBCRC/DBCRC	ONGOING	CLOSE/9-95	1991 DBCRC: Directed transfer of B-52s from Closing Castle AFB, CA to K.I.Sawyer AFB. Directed transfer of B-52s from Closing Loring AFB, ME to K.I.Sawyer AFB. 1993 DBCRC: Close Directs closure of K.I.Sawyer AFB, MI. 410BW deactivates, B-52Hs transfer to Barksdale AFB, LA. Cost to close is $143.6M and ROI is one year. Personnel movements are out: 2354 Mil and 351 Civ.
	SELFRIDGE AGB					

CLOSURE HISTORY - INSTALLATIONS IN MICHIGAN

04-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	W K KELLOGG REGIONAL AIRPORT AGS					
	WURTSMITH AFB	88/91	BRAC/DBCRC	COMPLETE	CLOSE/6-93	1988 DEFBRAC: Directed realignment of KC-135's from Closing Pease AFB, NH to Carswell Fairchild, Eaker, Plattsburgh and Wurtsmith AFBs. 1991 DBCRC: Directed Closure. Complete Jun 30, 1993. Directed transfer of the KC-135's to the Air Reserve Component and the retirement of the B-52Gs. Directed inactivation of the 379th Bombardment Wing.
D						
	DEFENSE LOGISTICS SERVICES CENTER	93	DBCRC	COMPLETE	REJECT	1993 DBCRC: Reject DoD recommendation to relocate DLSC mission to DCSC Columbus, OH. Maintain DLSC at Battle Creek site to retain current operating efficiencies and avoid economic hardship in Battle Creek.
	DEFENSE REUTILIZATION & MARKETING SERVIC	93	DBCRC	COMPLETE	REJECT	1993 DBCRC: Reject DoD recommendation to relocate DRMS mission to DCSC, Columbus, OH. Maintain DRMS at Battle Creek site to retain operating efficiencies and avoid economic hardship in Battle Creek.
N						
	NAF DETROIT	90/93	PRESS/DBCRC	CLOSED	CLOSE	1990 PRESS: DOD Secretary proposed NAF Detroit as a closure in his 1990 press release. 1993 DBCRC: Directed the closure of NAF Detroit and relocation of its aircraft, personnel, equipment, and support to the NAS Jacksonville, FL, NAS South Weymouth, MA and Carswell AFB, TX.

Document Separator

MICHIGAN

1. To what extent does the recommendation to close the family housing units on Selfridge impact officer and enlisted military families?

OHIO

25 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

		Springfield Air National Guard Base
4:00PM - 4:10PM	**10 minutes**	**MG Richard Alexander** **Adjutant General, Ohio**
4:10PM - 4:25PM	**15 minutes**	**Mr. Matt Kridler** **City Manager**
		Retired Colonel Dick Higgins

OHIO

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DEFENSE DISTRIBUTION DEPOT COLUMBUS (DDCO)

-Facility Summary Sheet
-DoD Recommendation
-Commission Base Visit Report
-Press Articles & Correspondence

SPRINGFIELD-BECKLEY MUNICIPAL AIRPORT AIR GUARD STATION

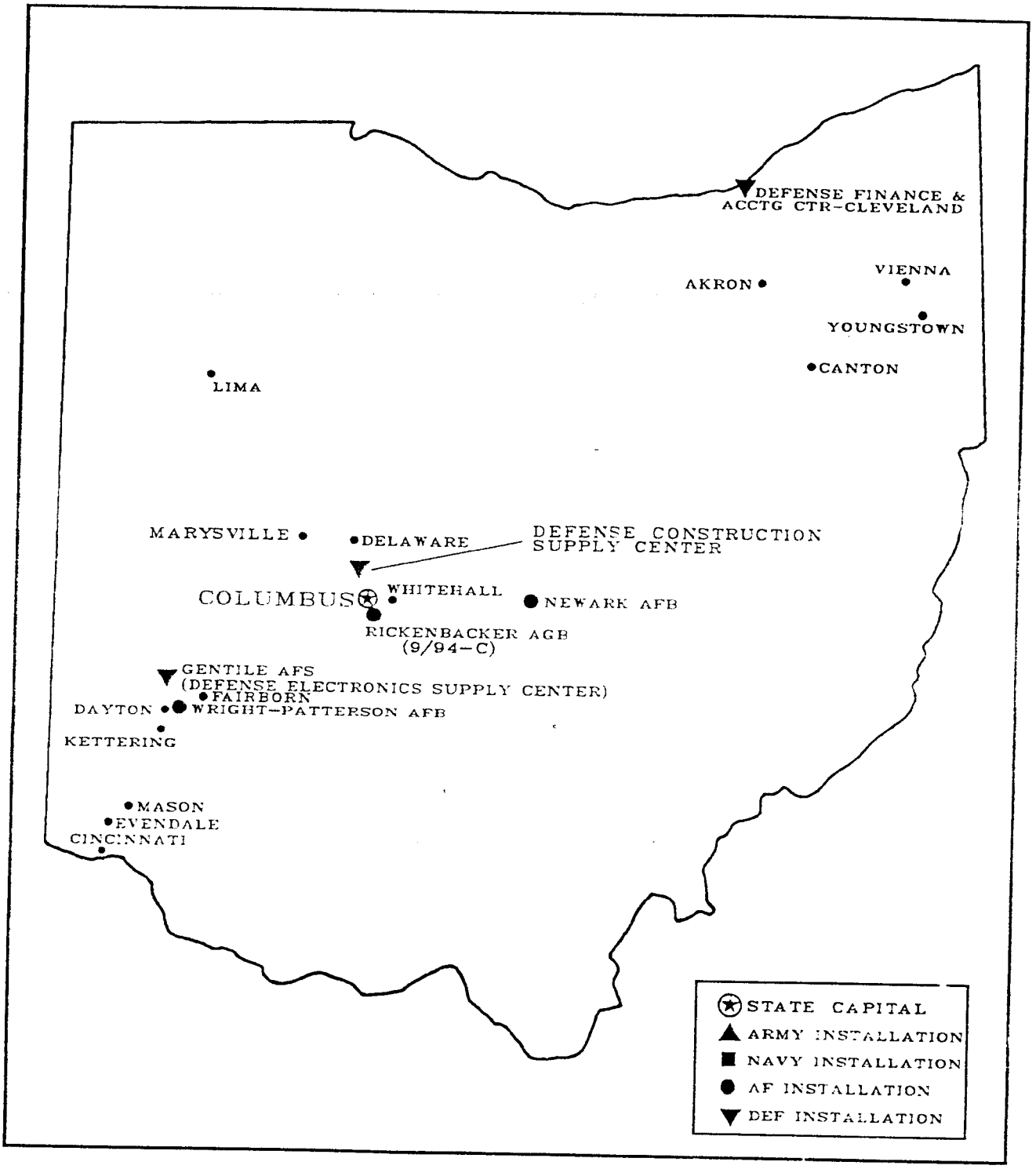
-Facility Summary Sheet
-DoD Recommendation
-Commission Base Visit Report
-Press Articles & Correspondence

STATE CLOSURE HISTORY

COMMISSIONER QUESTIONS FOR WITNESSES

MAP NO. 36

OHIO



Prepared By: Washington Headquarters Services
Directorate for Information
Operations and Reports

Document Separator

1995 DoD Recommendations and Justifications

Defense Contract Management Command International (DCMCI)
Dayton, Ohio

Recommendation: Realign the DCMCI (Gentile AFS), Dayton, Ohio, and merge its mission into the Defense Contract Management Command Headquarters (DCMC HQ), Ft. Belvoir, Virginia.

Justification: The mission of the DCMCI is to provide command and control, including operational and management control and oversight, for 13 overseas Defense Contract Management Area Operations (DCMAO) offices located outside of the continental United States. The Command's mission could be performed from any locality. Military judgment concluded that merging the mission with the headquarters affords the opportunity to capitalize on operational and management oversight and to maximize use of shared overhead with DCMC. It also affords the opportunity to take advantage of the close proximity to the State Department and the international support infrastructure in Washington, DC, and surrounding areas. This decision is consistent with DLA BRAC 95 Decision Rules, the DCMC Concept of Operations and the Force Structure Plan.

Return on Investment: The total estimated one-time cost to implement this recommendation is $3.1 million. The net of all costs and savings during the implementation period is a savings of $8.7 million. Annual recurring savings after implementation are $3.1 million with a return on investment expected in one year. The net present value of the costs and savings over 20 years is a savings of $38.7 million.

Impacts: Since this action affects unexecuted relocations resulting from prior BRAC recommendations, it causes no net change in employment in the Columbus, Ohio Metropolitan Statistical Area. However, the anticipated employment increase of less than 0.1 percent in the employment base in this area will not occur.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving community from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenarios. The environmental considerations present at the receiving installations do not prohibit this recommendation from being implemented.

Document Separator

1995 DoD Recommendations and Justifications

Defense Distribution Depot Columbus, Ohio (DDCO)

Recommendation: Realign the Defense Distribution Depot Columbus, Ohio, and designate it as a storage site for slow moving/war reserve material. Active material remaining at DDCO at the time of realignment will be attrited. Stock replenishment will be stored in optimum space within the distribution system.

Justification: Defense Distribution Distribution Depot Columbus, is a Stand-Alone Depot that supports the two large east/west coast depots and is used primarily for storage capability and local area demand. The decision to realign the Columbus depot was based on storage requirements and capacity estimates for FY 01 and the need to comply with BRAC 95 Decision Rules. Columbus ranked sixth of six depots in military value for the Stand-Alone Depot category.

The other Stand-Alone Depots were not considered for realignment for the following reasons. The higher military value of both the Susquehanna (DDSC) and San Joaquin (DDJC) depots removed them from consideration for closure or realignment. The Richmond Depot (DDRV) was not selected for realignment because of the large amount of conforming hazardous material storage space, new construction and mechanization, and collocation with supply center, which has the best maintained facilities of any in DLA. Both the Ogden and Memphis distribution depots were selected for closure.

The decision to realign rather than close the Columbus depot was based on the need for inactive storage capacity in the overall system and with the long-range intent of minimizing use of this site as storage requirements decline. Moving highly active stock to San Joaquin and Susquehanna will allow DLA to take advantage of economies of scale from large distribution operations. The decision was also based on the further consideration that Columbus, the highest ranking DLA location in the Installation Military Value analysis, will remain open and most likely expand its operations, thereby allowing DLA to maximize the use of shared overhead and optimize the use of retained DLA-operated facilities. In addition, the Strategic Analysis of Integrated Logistics Systems (SAILS) model favored the retention of Columbus over either Ogden or Memphis. Realigning the Columbus depot is consistent with the DLA BRAC 95 Decision Rules and the Distribution Concept of Operations. Military judgment determined that it is in the best interest of DLA and DoD to realign DDCO.

Return on Investment: The total estimated one-time cost to implement this recommendation is $7.9 million. The net of all costs and savings during the implementation period is a savings of $51.2 million. Annual recurring savings after implementation are $11.6 million with a return on investment expected in the first year. The net present value of the costs and savings over 20 years is a savings of $161.0 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 997 jobs (365 direct jobs and 632 indirect jobs) over the 1996-to-2001 period in the Columbus, Ohio Metropolitan Statistical Area, which is 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the area.

The Executive Group determined that the receiving community could absorb the additional forces, missions, and personnel proposed, and concluded that environmental considerations do not prohibit this recommendation from being implemented.

Document Separator

Springfield-Beckley Municipal Airport
Air Guard Station, Ohio

Recommendation: Close Springfield-Beckley Municipal Airport Air Guard Station (AGS) and relocate the 178th Fighter Group (ANG), the 251st Combat Communications Group (ANG), and the 269th Combat Communications Squadron (ANG) to Wright-Patterson AFB, Ohio.

Justification: The 178th Fighter Group provides crash, fire and rescue, security police, and other base operating support services for ANG activities at Springfield-Beckley Municipal Airport. By relocating to Wright-Patterson AFB, significant manpower and other savings will be realized by avoiding some of the costs associated with the installation.

Return on Investment: The total estimated one-time cost to implement this recommendation is $23.4 million. The net of all costs and savings during the implementation period is a cost of $5.6 million. Annual recurring savings after implementation are
$4.2 million with a return on investment expected in six years. The net present value of the costs and savings over 20 years is a savings of $35.1 million.

Impacts: This recommendation will not result in a change in the employment in the Riverside-Dayton-Springfield, Ohio Metropolitan Statistical Area because all affected jobs will remain in that economic area. Review of demographic data projects no negative impact on recruiting. Environmental impact from this action is minimal.

21ST STORY of Level 1 printed in FULL format.

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The Dayton Daily News

March 1, 1995, WEDNESDAY, CITY EDITION

SECTION: NEWS, Pg. 5A

LENGTH: 544 words

HEADLINE: SPRINGFIELD ANXIOUS TO PROVE AIR FORCE'S

BYLINE: Lynn Hulsey; COX NEWS SERVICE

BODY:

SPRINGFIELD - Twenty months ago, Clark County officials thought they had saved the local Ohio National Air Guard base and the $ 51.8 million it contributes to the local economy.

But on Tuesday, they received word that the Department of Defense again is recommending that the 318 full-time and 871 part-time base employees be moved to Wright-Patterson Air Force Base from the Springfield Municipal Airport.

If approved, the city would lose an estimated $ 140,000 in annual income tax and rent, valuable in-kind services and a major tenant.

''They account for about 25 percent of our budget out there,'' Springfield City Manager Matthew Kridler said.

At the airport, Guard personnel handle air-traffic control; crash, fire and rescue duties; and snow removal. The federal government pays for runway repairs and the city owns the airport.

Air Force estimates put the transfer cost at $ 23.5 million and estimate annual savings at $ 4.2 million, said U.S. Rep. Dave Hobson, R-Springfield.

The proposals will be considered by the Base Closure and Realignment Commission. Congress will vote in the fall.

The local plan to fight the proposal involves a task force made up of city, county, Chamber of Commerce and elected officials, Kridler said.

''I bet you when we get done we will see it costs more to move and that they won't save as much,'' Hobson said.

He thinks Air Force officials didn't expect him to object because the Guard would be transferred within his district.

''This congressman is screaming because it's not the best use of dollars,'' Hobson said.

Two things have changed since the local task force mobilized in 1993 to convince the Air Force that the cost of moving the base - estimated at $ 42 million in 1993 - would far outweigh any savings.

In 1993, the Air Force planned to move the local Air Guard's fighter planes into vacant space used by much larger cargo planes at Wright-Pat.

''That meant the cost of converting it for small fighters was huge,'' City Commissioner Warren Copeland said.

Last year the 906th Fighter Group left Wright-Pat, vacating fighter-plane space.

''They feel it will be more economical this time because they don't have the 906th there and they won't need to build hangars or ramp space,'' Hobson said.

He thinks Air Force brass are upset that they failed to push through the transfer last time.

''Come hell or high water, they are going to get them this time. They're willing to spend $ 25 million just to prove a point, it looks like to me,'' Hobson said.

''By Air Force standards this is not a lot of money. There are a lot of guys over at Wright-Patterson wearing blue suits who want to see those pointy-nosed things (F-16s) flying out of there.''

Mayor Dale Henry said local officials will have to again prove the Air Force has wrongly estimated the costs and savings. They also will try to convince defense officials that the Air Guard can operate more effectively out of the local base, Copeland said.

''Part of the underlying issue here is the feeling that the top Air Force brass doesn't understand the Guard operation,'' he said.

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LYNN HULSEY writes for the ''Springfield News-Sun.''

LOAD-DATE-MDC: March 2, 1995

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CLOSURE HISTORY - INSTALLATIONS IN OHIO

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	LIMA ARMY TANK PLANT	90	PRESS	ONGOING	PART INAC	1990 PRESS: Partial inactivation; scheduled FY 95
	RAVENNA ARMY AMMUNITION PLANT					
AF						
	CAMP PERRY AGS					
	GENTILE AFS	93	DBCRC	ONGOING	CLOSE/97	1993 DBCRC: Close (Scheduled 1997). In association with Defense Logistics Agency actions, close except for space required to operate the Defense Switching Network. Relocate the Mission of the Defense Electronics Supply Center to the Defense Construction Supply Center, Columbus, OH. (Note 93 Mil and 2805 Civ personnel from DESC move out.)
	MANSFIELD LAHM MAP AGS					
	NEWARK AFB	93	DBCRC	ONGOING	CLOSE/9-96	1993 DBCRC: Close Newark AFB, OH closes. Cost to close is $31.3M with ROI of 8 years. Workload transfers to other depots or private sector. Personnel movement out: 92 Mil and 1679 Civ.

CLOSURE HISTORY - INSTALLATIONS IN OHIO

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	RICKENBACKER AGB	91/93	DBCRC/DBCRC	ONGOING	REALIGN	1991 DBCRC: Directed Closure. (Scheduled Sep 30, 1994). Transfer of the 160th Air Refueling Group and the 907th Tactical Airlift Group to Wright-Patterson AFB, OH. Consolidate the 4950th Test Wing from Wright-Patterson AFB with the Air Force Flight Test Center at Edwards AFB, CA. 1993 DBCRC: Redirect Change 1991 recommendation from closure to realign. 121ARW (ANG) and 160ARG (ANG) remain in place in a separate cantonement area rather than move to Wright Patterson AFB, OH. The 907AG (AFRES) continues relocation to Wright Patterson AFB, OH. 4950 TW goes from Wright-Patterson to Edwards AFB, CA as directed by the 1991 Commission. Projected savings is $11.7M. Rickenbacker Port Authority operates the airport and the ARC units become tenants.
	SPRINGFIELD BECKLEY MAP AGS					
	TOLEDO EXPRESS APT AGS					

CLOSURE HISTORY - INSTALLATIONS IN OHIO

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	WRIGHT-PATTERSON AFB	90/91/93	PR/DBCRC/DBCRC	ONGOING	REALGN	1990 Press Release indicated realignment. No specifics given. 1991 DBCRC: Directed the transfer of the 160th Air Refueling Group and the 907th Tactical Airlift Group to Wright-Patterson AFB from the Closing Rickenbacker Air Guard Base. Consolidate the 4950th Test Wing from Wright-Patterson AFB with the Air Force Flight Test Center at Edwards AFB, CA. Directed realigning environmental and occupational toxicology research from Fort Detrick, MD (USA) and biodynamics research from Fort Rucker, AL (USA) to be co-located with the Armstrong Medical Laboratory at Wright-Patterson AFB. 1993 DBCRC: Redirects RESERVE force structure (121st Air Refueling Wing-ANG, and 160th Air Refueling Group-ANG) from Rickenbacker to stay in-place except for 907AG (AFRES). Total personnel loss of 522 Civ.
	YOUNGSTOWN MAP ARS					
D						
	DEFENSE CONSTRUCTION SUPPLY CENTER					
	DEFENSE ELECTRONICS SUPPLY CENTER	93	DBCRC	COMPLETE	REALIGNDN	1993 DRCRC Accept DOD recommendation. Close DESC and relocate its mission to DCSC, Columbus, OH.
	DEFENSE FINANCE ACCOUNTING CENTER					
N						
	READINESS CMD REGION 5, RAVENNA	93	DBCRC	ONGOING	CLOSE	1993 DBCRC: Recommended closure of Readiness Command Region 5 because its capacity is in excess of projected requirements.

Document Separator

OHIO

1. In a letter to the Commission, Governor Voinovich stated that he felt the Air National Guard unit's ability to recruit personnel would be negatively impacted by its proposed relocation to Wright-Patterson Air Force Base. In your opinion, how will the unit's recruiting be impacted and why?

2. In your opinion, what percentage of personnel will relocate with the Air National Guard unit if it moves to Wright-Patterson Air Force Base?

3. As you know, the Springfield-Beckley Air National Guard unit has both a federal and state mission. Will the unit's ability to fulfill its state mission be affected by the proposed relocation to Wright-Patterson Air Force Base?

WISCONSIN

5 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

4:30PM - 4:35PM	**5 minutes**	**No scheduled witnesses.**

WISCONSIN

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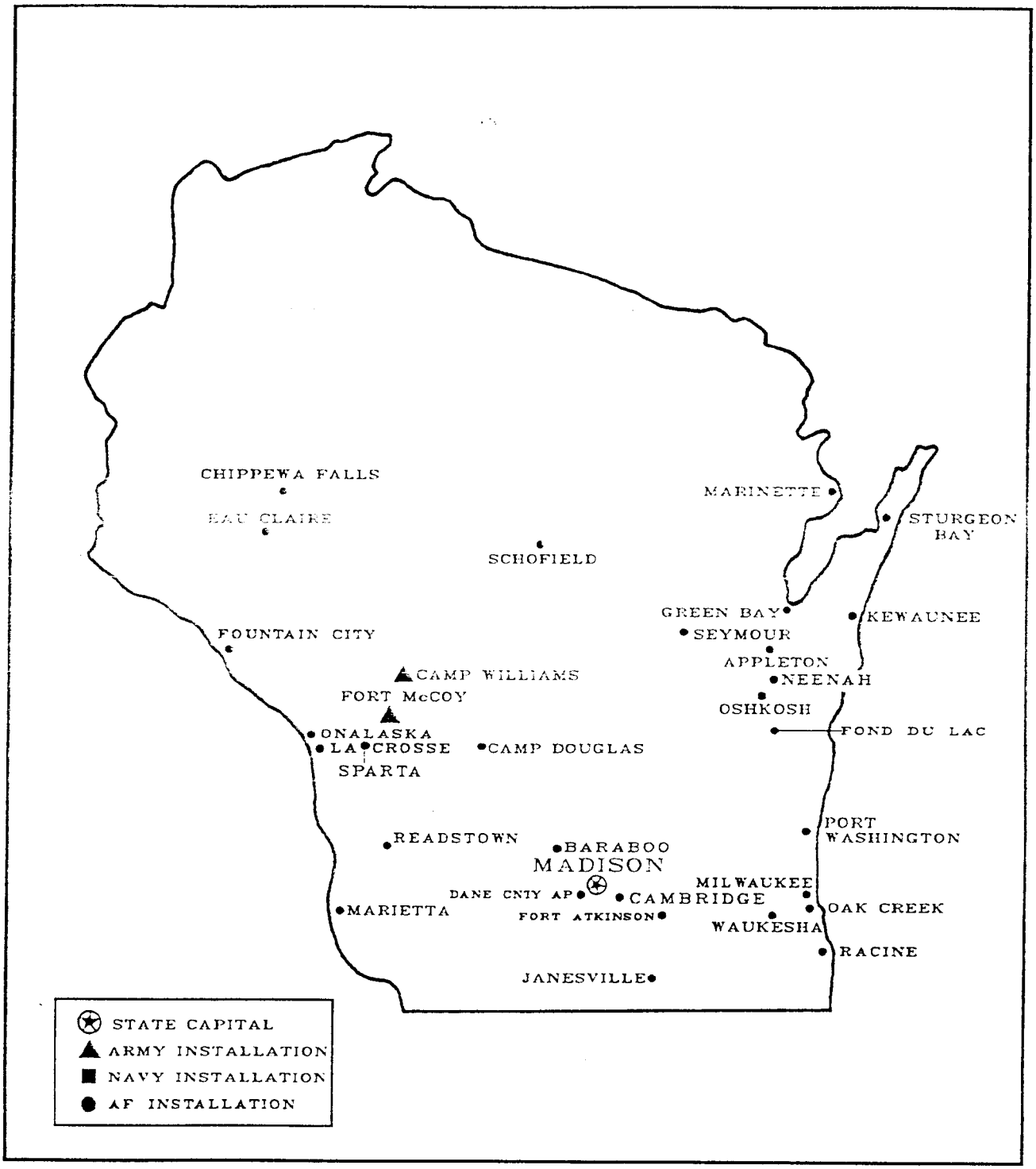
-Commission Base Visit Report
-Press Articles & Correspondence

STATE CLOSURE HISTORY

MAP NO. 50

WISCONSIN



Prepared By: Washington Headquarters Services
Directorate for Information
Operations and Reports

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1995 DoD Recommendations and Justifications

Reserve Centers/Commands

Recommendation:
Close the following Naval Reserve Centers:

Stockton, California
Pomona, California
Santa Ana, Irvine, California
Laredo, Texas
Sheboygan, Wisconsin
Cadillac, Michigan
Staten Island, New York
Huntsville, Alabama

Close the following Naval Air Reserve Center:

Olathe, Kansas

Close the following Naval Reserve Readiness Commands:

Region Seven - Charleston, South Carolina
Region Ten - New Orleans, Louisiana

Justification: Existing capacity in support of the Reserve component continues to be in excess of the force structure requirements for the year 2001. These Reserve Centers scored low in military value, among other things, because there were a fewer number of drilling reservists than the number of billets available (suggesting a lesser demographic pool from which to recruit sailors), or because there was a poor use of facilities (for instance, only one drill weekend per month). Readiness Command (REDCOM) 7 has management responsibility for the fewest number of Reserve Centers of the thirteen REDCOMs, while REDCOM 10 has management responsibility for the fewest number of Selected Reservists. In 1994, nearly three-fourths of the authorized SELRES billets at REDCOM 10 were unfilled, suggesting a demographic shortfall. In addition, both REDCOMs have high ratios of active duty personnel when compared to SELRES supported. The declining Reserve force structure necessitates more effective utilization of resources and therefore justifies closing these two REDCOMs. In arriving at the recommendation to close these Reserve Centers/Commands, specific analysis was conducted to ensure that there was either an alternate location available to accommodate the affected Reserve population or demographic support for purpose of force recruiting in the areas to which units were being relocated. This specific analysis, verified by the COBRA analysis, supports these closures.

Return on Investment: The total estimated one-time cost to implement the closure of NRC Stockton is $45 thousand. The net of all costs and savings during the implementation period is a savings of $2 million. Annual recurring savings after implementation are $0.4 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5.4 million.

The total estimated one-time cost to implement the closure of NRC Pomona is $48 thousand. The net of all costs and savings during the implementation period is a savings of $1.9 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5.1 million.

The total estimated one-time cost to implement the closure of NRC Santa Ana is $41 thousand. The net of all costs and savings during the implementation period is a savings of $3 million. Annual recurring savings after implementation are $0.5 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $8.1 million.

The total estimated one-time cost to implement the closure of NRF Laredo is $27 thousand. The net of all costs and savings during the implementation period is a savings of $1.4 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $3.8 million.

The total estimated one-time cost to implement the closure of NRC Sheboygan is $31 thousand. The net of all costs and savings during the implementation period is a savings of $1.5 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $4.1 million.

The total estimated one-time cost to implement the closure of NRC Cadillac is $46 thousand. The net of all costs and savings during the implementation period is a savings of $1.8 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5 million.

The total estimated one-time cost to implement the closure of NRC Staten Island is $43 thousand. The net of all costs and savings during the implementation period is a savings of $4.5 million. Annual recurring savings after implementation are $0.6 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $9.8 million.

The total estimated one-time cost to implement the closure of NRC Huntsville is $51 thousand. The net of all costs and savings during the implementation period is a savings of $2.6 million. Annual recurring savings after implementation are $0.5 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $7.2 million.

The total estimated one-time cost to implement the closure of NARCEN Olathe is $0.2 million. The net of all costs and savings during the implementation period is a savings of $3.9 million. Annual recurring savings after implementation are $0.7 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $10.9 million.

The total estimated one-time cost to implement the closure of NRRC Charleston is $0.5 million. The net of all costs and savings during the implementation period is a savings of $14.4 million. Annual recurring savings after implementation are $2.7 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $39.9 million.

The total estimated one-time cost to implement the closure of NRRC New Orleans is $0.6 million. The net of all costs and savings during the implementation period is a savings of $6 million. Annual recurring savings after implementation are $1.9 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $23.8 million.

Impacts:

Economic Impact on Communities: Assuming no economic recovery, the closure of NRC Stockton could result in a maximum potential reduction of 10 jobs (7 direct jobs and 3 indirect jobs) over the 1996-to-2001 period in the Stockton-Lodi, California MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential increase equal to 0.6 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Pomona could result in a maximum potential reduction of 15 jobs (10 direct jobs and 5 indirect jobs) over the 1996-to-2001 period in the Los Angeles-Long Beach, California PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.4 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Santa Ana could result in a maximum potential reduction of 21 jobs (14 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the Orange County, California PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRF Laredo could result in a maximum potential reduction of 8 jobs (6 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Laredo, Texas MSA economic area, which is less than 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Sheboygan could result in a maximum potential reduction of 8 jobs (6 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Sheboygan, Wisconsin MSA economic area, which is less than 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Cadillac could result in a maximum potential reduction of 10 jobs (8 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Wexford County, Michigan economic area, which is 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Staten Island could result in a maximum potential reduction of 21 jobs (14 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the New York, New York PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Huntsville could result in a maximum potential reduction of 26 jobs (19 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the Madison County, Alabama economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential increase equal to 2.7 percent of employment in the economic area.

Assuming no economic recovery, the closure of NARCEN Olathe could result in a maximum potential reduction of 22 jobs (14 direct jobs and 8 indirect jobs) over the 1996-to-2001 period in the Kansas City, Missouri-Kansas MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRRC Charleston could result in a maximum potential reduction of 67 jobs (46 direct jobs and 21 indirect jobs) over the 1996-to-2001 period in the Charleston-North Charleston, South Carolina MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 8.4 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRRC New Orleans could result in a maximum potential reduction of 73 jobs (47 direct jobs and 26 indirect jobs) over the 1996-to-2001 period in the New Orleans, Louisiana MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to less than 0.1 percent of employment in the economic area.

Community Infrastructure Impact: There is no known community infrastructure impact at any receiving installation.

Environmental Impact: The closure of these Reserve Centers and Readiness Commands generally will have a positive impact on the environment since, with the exception of REDCOM 10, they concern closures with no attendant realignments of personnel or functions. In the case of REDCOM 10, the movement of less than 10 military personnel to REDCOM 11, Dallas, Texas, is not of such a size as to impact the environment. Further, there is no adverse impact on threatened/endangered species, sensitive habitats and wetlands, or cultural/historical resources occasioned by this recommendation.

Document Separator

CLOSURE HISTORY - INSTALLATIONS IN WISCONSIN

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	BADGER ARMY AMMUNITION PLANT					
	FORT MCCOY					
AF						
	GEN BILLY MITCHELL FIELD					
	GEN MITCHELL IAP ARS					
	TRUAX FIELD AGS					

KANSAS

5 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

4:40PM - 4:45PM	**5 minutes**	**No scheduled witnesses.**

KANSAS

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MAP NO. 17

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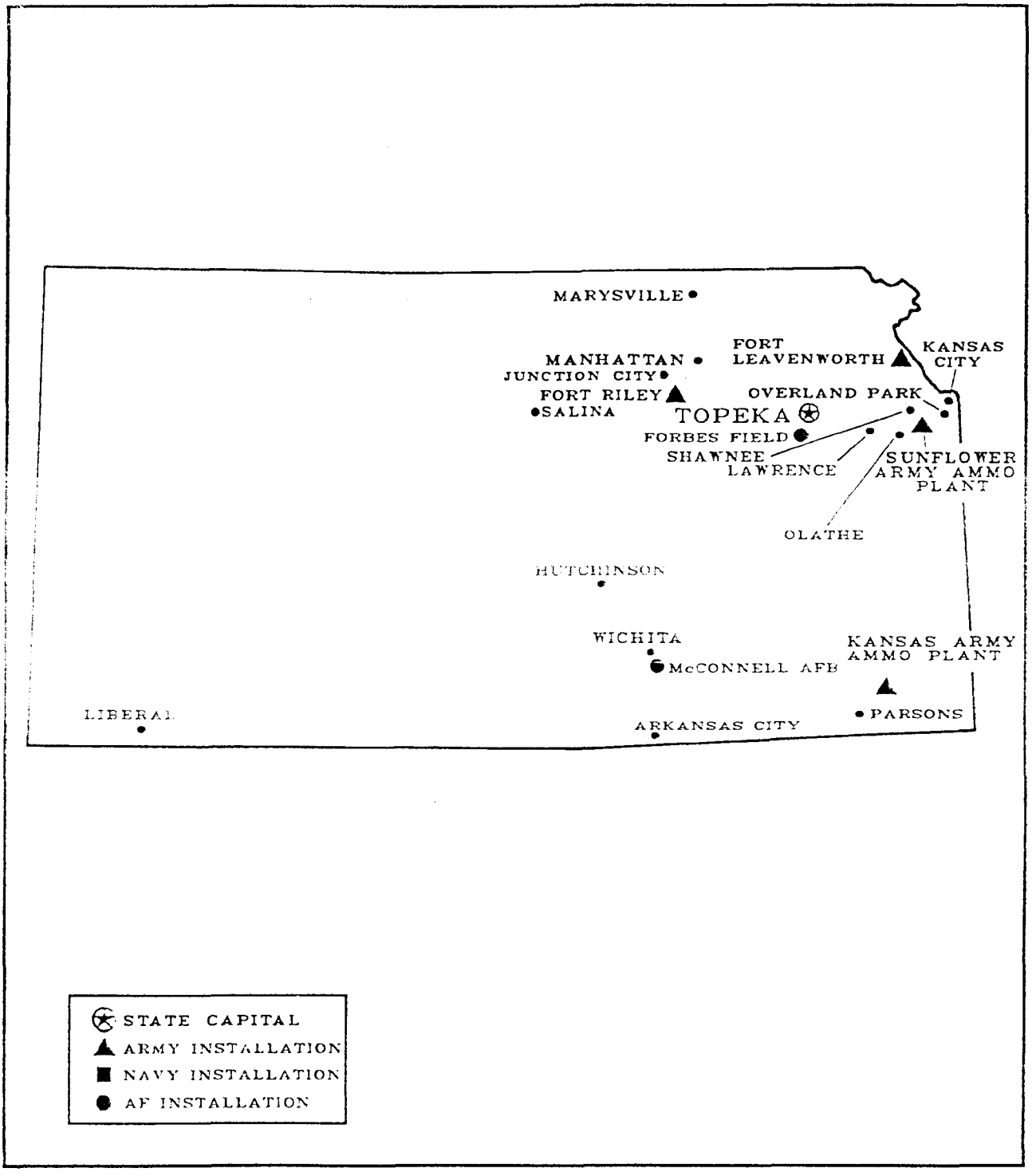

Prepared By: Washington Headquarters Services
Directorate for Information
Operations and Reports

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1995 DoD Recommendations and Justifications

Reserve Centers/Commands

Recommendation:
Close the following Naval Reserve Centers:

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Santa Ana, Irvine, California
Laredo, Texas
Sheboygan, Wisconsin
Cadillac, Michigan
Staten Island, New York
Huntsville, Alabama

Close the following Naval Air Reserve Center:

Olathe, Kansas

Close the following Naval Reserve Readiness Commands:

Region Seven - Charleston, South Carolina
Region Ten - New Orleans, Louisiana

Justification: Existing capacity in support of the Reserve component continues to be in excess of the force structure requirements for the year 2001. These Reserve Centers scored low in military value, among other things, because there were a fewer number of drilling reservists than the number of billets available (suggesting a lesser demographic pool from which to recruit sailors), or because there was a poor use of facilities (for instance, only one drill weekend per month). Readiness Command (REDCOM) 7 has management responsibility for the fewest number of Reserve Centers of the thirteen REDCOMs, while REDCOM 10 has management responsibility for the fewest number of Selected Reservists. In 1994, nearly three-fourths of the authorized SELRES billets at REDCOM 10 were unfilled, suggesting a demographic shortfall. In addition, both REDCOMs have high ratios of active duty personnel when compared to SELRES supported. The declining Reserve force structure necessitates more effective utilization of resources and therefore justifies closing these two REDCOMs. In arriving at the recommendation to close these Reserve Centers/Commands, specific analysis was conducted to ensure that there was either an alternate location available to accommodate the affected Reserve population or demographic support for purpose of force recruiting in the areas to which units were being relocated. This specific analysis, verified by the COBRA analysis, supports these closures.

Return on Investment: The total estimated one-time cost to implement the closure of NRC Stockton is $45 thousand. The net of all costs and savings during the implementation period is a savings of $2 million. Annual recurring savings after implementation are $0.4 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5.4 million.

The total estimated one-time cost to implement the closure of NRC Pomona is $48 thousand. The net of all costs and savings during the implementation period is a savings of $1.9 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5.1 million.

The total estimated one-time cost to implement the closure of NRC Santa Ana is $41 thousand. The net of all costs and savings during the implementation period is a savings of $3 million. Annual recurring savings after implementation are $0.5 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $8.1 million.

The total estimated one-time cost to implement the closure of NRF Laredo is $27 thousand. The net of all costs and savings during the implementation period is a savings of $1.4 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $3.8 million.

The total estimated one-time cost to implement the closure of NRC Sheboygan is $31 thousand. The net of all costs and savings during the implementation period is a savings of $1.5 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $4.1 million.

The total estimated one-time cost to implement the closure of NRC Cadillac is $46 thousand. The net of all costs and savings during the implementation period is a savings of $1.8 million. Annual recurring savings after implementation are $0.3 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $5 million.

The total estimated one-time cost to implement the closure of NRC Staten Island is $43 thousand. The net of all costs and savings during the implementation period is a savings of $4.5 million. Annual recurring savings after implementation are $0.6 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $9.8 million.

The total estimated one-time cost to implement the closure of NRC Huntsville is $51 thousand. The net of all costs and savings during the implementation period is a savings of $2.6 million. Annual recurring savings after implementation are $0.5 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $7.2 million.

The total estimated one-time cost to implement the closure of NARCEN Olathe is $0.2 million. The net of all costs and savings during the implementation period is a savings of $3.9 million. Annual recurring savings after implementation are $0.7 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $10.9 million.

The total estimated one-time cost to implement the closure of NRRC Charleston is $0.5 million. The net of all costs and savings during the implementation period is a savings of $14.4 million. Annual recurring savings after implementation are $2.7 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $39.9 million.

The total estimated one-time cost to implement the closure of NRRC New Orleans is $0.6 million. The net of all costs and savings during the implementation period is a savings of $6 million. Annual recurring savings after implementation are $1.9 million with an immediate return on investment expected. The net present value of the costs and savings over 20 years is a savings of $23.8 million.

Impacts:

Economic Impact on Communities: Assuming no economic recovery, the closure of NRC Stockton could result in a maximum potential reduction of 10 jobs (7 direct jobs and 3 indirect jobs) over the 1996-to-2001 period in the Stockton-Lodi, California MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential increase equal to 0.6 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Pomona could result in a maximum potential reduction of 15 jobs (10 direct jobs and 5 indirect jobs) over the 1996-to-2001 period in the Los Angeles-Long Beach, California PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.4 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Santa Ana could result in a maximum potential reduction of 21 jobs (14 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the Orange County, California PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 1.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRF Laredo could result in a maximum potential reduction of 8 jobs (6 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Laredo, Texas MSA economic area, which is less than 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Sheboygan could result in a maximum potential reduction of 8 jobs (6 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Sheboygan, Wisconsin MSA economic area, which is less than 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Cadillac could result in a maximum potential reduction of 10 jobs (8 direct jobs and 2 indirect jobs) over the 1996-to-2001 period in the Wexford County, Michigan economic area, which is 0.1 percent of economic area employment.

Assuming no economic recovery, the closure of NRC Staten Island could result in a maximum potential reduction of 21 jobs (14 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the New York, New York PMSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRC Huntsville could result in a maximum potential reduction of 26 jobs (19 direct jobs and 7 indirect jobs) over the 1996-to-2001 period in the Madison County, Alabama economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential increase equal to 2.7 percent of employment in the economic area.

Assuming no economic recovery, the closure of NARCEN Olathe could result in a maximum potential reduction of 22 jobs (14 direct jobs and 8 indirect jobs) over the 1996-to-2001 period in the Kansas City, Missouri-Kansas MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.1 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRRC Charleston could result in a maximum potential reduction of 67 jobs (46 direct jobs and 21 indirect jobs) over the 1996-to-2001 period in the Charleston-North Charleston, South Carolina MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 8.4 percent of employment in the economic area.

Assuming no economic recovery, the closure of NRRC New Orleans could result in a maximum potential reduction of 73 jobs (47 direct jobs and 26 indirect jobs) over the 1996-to-2001 period in the New Orleans, Louisiana MSA economic area, which is less than 0.1 percent of economic area employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to less than 0.1 percent of employment in the economic area.

Community Infrastructure Impact: There is no known community infrastructure impact at any receiving installation.

Environmental Impact: The closure of these Reserve Centers and Readiness Commands generally will have a positive impact on the environment since, with the exception of REDCOM 10, they concern closures with no attendant realignments of personnel or functions. In the case of REDCOM 10, the movement of less than 10 military personnel to REDCOM 11, Dallas, Texas, is not of such a size as to impact the environment. Further, there is no adverse impact on threatened/endangered species, sensitive habitats and wetlands, or cultural/historical resources occasioned by this recommendation.

ILLINOIS

50 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

10:10AM - 10:13AM	**3 minutes**	**Senator Carol Moseley-Braun**
10:13AM - 10:16AM	**3 minutes**	**Lt. Gov. Robert Kustra**
10:16AM - 10:38AM	**22 minutes**	**<u>Charles Melvin Price Support Center</u>** **MajGen John E. Griffith, USAF (Ret)**
10:38AM - 11:00AM	**22 minutes**	**<u>Savanna Army Depot</u>** **Mr. Al Ehringer** **Co-Chairman of Savanna Army Depot Task Force and former Director, US Army Defense Ammunition Center** **Ms. Karen Stott** **Executive Director, Savanna Chamber of Commerce**

ILLINOIS

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CHICAGO, IL REGIONAL HEARING
WEDNESDAY, APRIL 12, 1995

ILLINOIS STATE MAP

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-DoD Recommendation
-Commission Base Visit Report
-Press Articles & Correspondence

SAVANNA ARMY DEPOT ACTIVITY

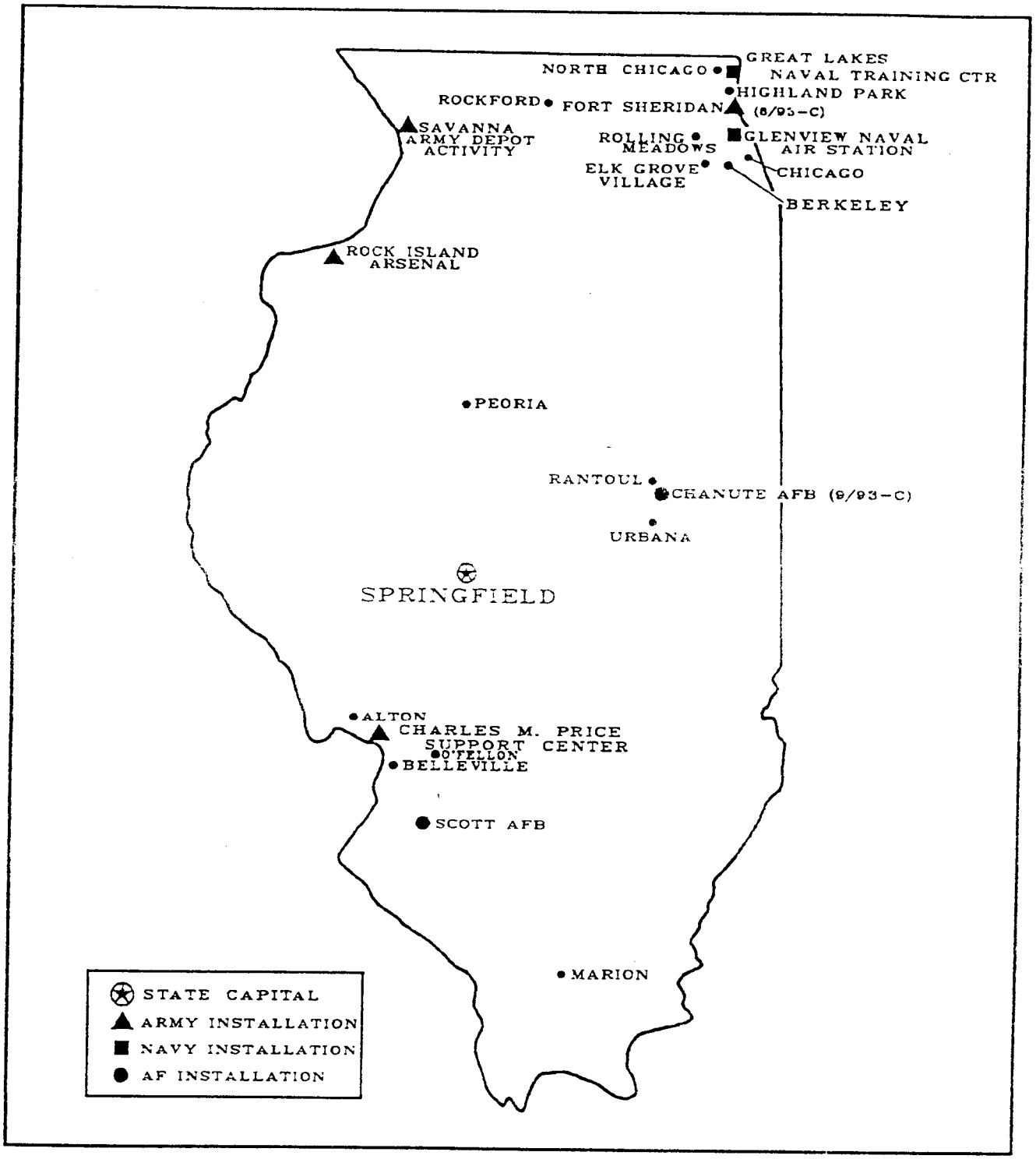
-Facility Summary Sheet
-DoD Recommendation
-Commission Base Visit Report
-Press Articles & Correspondence

STATE CLOSURE HISTORY

COMMISSIONER QUESTIONS FOR WITNESSES

MAP NO. 14

ILLINOIS



Prepared By: Washington Headquarters Services
Directorate for Information
Operations and Reports

Document Separator

1995 DoD Recommendations and Justifications

Price Support Center, Illinois

Recommendation: Close Charles Melvin Price Support Center, except a small reserve enclave and a storage area.

Justification: Charles Melvin Price Support Center provides area support and military housing to the Army and other Federal activities in the St. Louis, MO, area. It is low in military value compared to similar installations. Its tenants, including a recruiting company and a criminal investigative unit, can easily relocate.

This recommendation is related to the Army's recommendation to relocate Aviation-Troop Command (ATCOM) from St. Louis, MO, to other locations. A reduction in the Army's presence in the area warrants a corresponding reduction in Charles Melvin Price Support Center.

Return on Investment: The total one-time cost to implement this recommendation is $4 million. The net of all costs and savings during the implementation period is a savings of $35 million. Annual recurring savings after implementation are $9 million with an immediate return on investment. The net present value of the costs and savings over 20 years is a savings of $116 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 363 jobs (225 direct jobs and 138 indirect jobs) over the 1996-to-2001 period in the St. Louis, MO-IL Metropolitan Statistical Area, which represents less than 0.1 percent of the area's employment.

The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in this area over the 1994-to-2001 period could result in a maximum potential decrease equal to 0.6 percent of employment in the area. There are no known environmental impediments at the closing or receiving installations.

1995 DoD Recommendations and Justifications

Savanna Army Depot Activity, Illinois

Recommendation: Close Savanna Army Depot Activity (ADA). Relocate the United States Army Defense Ammunition Center and School (USADACS) to McAlester Army Ammunition Plant, Oklahoma.

Justification: This recommendation is supported by the Army's long range operational assessment. The Army has adopted a "tiered" ammunition depot concept to reduce infrastructure, eliminate static non-required ammunition stocks, decrease manpower requirements, increase efficiencies and permit the Army to manage a smaller stockpile. The tiered depot concept reduces the number of active storage sites and makes efficiencies possible:

(1) Tier 1 - Active Core Depots. These installations will support a normal/full-up activity level with a stockage configuration of primarily required stocks and minimal non-required stocks requiring demilitarization. Normal activity includes daily receipts/issues of training stocks, storage of war reserve stocks required in contingency operations and additional war reserve stocks to augment lower level tier installation power projection capabilities. Installations at this activity level will receive requisite levels of storage support, surveillance, inventory, maintenance and demilitarization.

(2) Tier 2 - Cadre Depots. These installations normally will perform static storage of follow-on war reserve requirements. Daily activity will be minimal for receipts/issues. Workload will focus on maintenance, surveillance, inventory and demilitarization operations. These installations will have minimal staffs unless a contingency arises.

(3) Tier 3 - Caretaker Depots. Installations designated as Tier 3 will have minimal staffs and store stocks no longer required until demilitarized or relocated. The Army plans to eliminate its stocks at these sites no later than year 2001. Savanna Army Depot Activity is a Tier 3 depot.

USADACS performs the following basic functions: munitions training, logistics engineering, explosive safety, demilitarization research and development, technical assistance, and career management. Relocation of USADACS to McAlester Army Ammunition Plant (AAP) allows it to collocate with an active ammunition storage and production operation. McAlester AAP, a Tier 1 depot, is the best for providing the needed capabilities.

Return on Investment: The total one-time cost to implement this recommendation is $38 million. The net of all costs and savings during the implementation period is a cost of $12 million. Annual recurring savings after implementation are $13 million with a return on investment expected in two years. The net present value of the costs and savings over 20 years is a savings of $112 million.

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ILLINOIS

1. To what extent does the recommendation to close the family housing units on Price Center impact officer and enlisted military families remaining in the St. Louis area?

CLOSURE HISTORY - INSTALLATIONS IN KANSAS

04-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	FORT LEAVENWORTH					
	FORT RILEY					
	KANSAS ARMY AMMUNITION PLANT	90	PRESS	ONGOING	LEASE	1990 PRESS: Cease production and lease; scheduled FY 96
	SUNFLOWER ARMY AMMUNITION PLANT	90	PRESS	ONGOING	LAYAWAY	1990 PRESS: Layaway; scheduled FY 94
AF						
	FORBES FIELD AGS					
	MCCONNELL AFB	93	DBCRC	ONGOING	REALIGNUP	1993 DBCRC: 11 KC-135s from Ellsworth AFB, SD move to McConnell. Net Personnel movement of +263 Mil and +11 Civ.
N						
	NRC HUTCHINSON	93	DBCRC	ONGOING	CLOSE	1993 DBCRC: Recommended closure of the Naval Reserve Center Hutchinson, KS because its capacity is in excess of projected requirements.
	READINESS CMD REGION 18, OLATHE	93	DBCRC	ONGOING	CLOSE	1993 DBCRC: Recommended closure of Readiness Command Region 18 because its capacity is in excess of projected requirements.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 627 jobs (450 direct jobs and 177 indirect jobs) over the 1996-to-2001 period in the Carroll County, IL, area, which represents 8.2 percent of the area's employment. There are no known environmental impediments at the closing or receiving installations.

Document Separator

Small towns prepare for base closings

■ **New opportunity:** Towns like Savanna are trying to find other uses for their bases and residents who work there.

The Associated Press

WASHINGTON — These seemed to be good times in the small northwestern Illinois town of Savanna.

Two summers ago, the state selected Savanna for a downtown revitalization program. The vacancy rate on Main Street is down to perhaps 10 percent, from 25 percent. And just north of town, near the Mississippi Palisades State Park, developers are building a lodge on a high bluff, sure to offer a panoramic view of the river.

Amid this bright picture, however, came word last week that the Pentagon wants to close a nearby Army ammunition depot. At stake are hundreds of jobs and millions of dollars of economic activity from the 77-year-old installation.

The recommendation was not a surprise: Almost a year ago, the Army had designated the Savanna Army Depot Activity in a group of bases most vulnerable for shutdown.

Community leaders, economic development groups and politicians still hope to convince an independent base-closing commission that Savanna should remain open. But once on the Pentagon list, a base faces steep odds of survival.

So, while the fight goes on in Savanna and other communities now coping with potential closings, people such as Karen Stott also must start thinking about life without a base.

"A crisis can also be an opportunity," said Stott, executive director of the Savanna Chamber of Commerce.

The base could lose 450 military and civilian jobs, and 177 indirect jobs resulting from base operations, if the commission, the president and Congress approve the Pentagon recommendation. But it might not close for five years.

Savanna, with an ammunition school and ammunition storage, pumps an estimated $19 million into the local economy each year.

Also on the hit list is the Charles Melvin Price Support Center in Granite City. At stake are 225 military and civilian jobs, and 138 indirect jobs. But a small reserve portion and storage area — preserving 121 reservists and 79 civilian jobs — would remain.

The center provides support and military housing to the Army and other federal activities in the St. Louis area.

Supporters hope to attract operations that might relocate from other bases. If not, they feel confident about getting some kind of development, given the center's strategic location and access to ground, water and rail transportation.

In Savanna, there is more concern.

"I don't want to use the expression 'ghost town,' but I can see that the population base would probably decrease and it's already small," said Jim Moore, an alderman who is chief of the security branch at the depot.

Closing the base could mean "economic devastation ... (that) would be felt far and wide in this rural, unpopulated area where there's not many places to get work," he said.

Local and regional economic development groups and elected officials in northwestern Illinois are going to create a commission for re-use of the depot. They can apply to the Pentagon and other federal agencies for grants.

"Be prepared and get some help," said Fran Tunstall of the National Association of Installation Developers, an advocacy group that helps communities convert bases. "There are sources they can go to. They aren't forgotten."

Document Separator

CLOSURE HISTORY - INSTALLATIONS IN ILLINOIS

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A						
	CHARLES M. PRICE SUPPORT CENTER					
	FORT SHERIDAN	88/90/91	DEFBRAC/PR/DBCRC	COMPLETE	CLOSE	1988 DEFBRAC: Close, but retain approximately 60 acres containing reserve support facilities; completed FY 93; pending disposal Realign Headquarters, Fourth Army to Fort Benjamin Harrison, IN; unit inactivated FY 92 Realign Headquarters, U.S. Army Recruiting Command to Fort Benjamin Harrison, IN (Changed to Fort Knox, KY by 1991 Defense Base Closure Commission; completed FY 93) Realign the U.S. Army Recruiting Battalion-Chicago and the U.S. Army Recruiting Brigade-Midwest to leased space in Chicago (Brigade inactivated); completed FY 93 1990 PRESS: Inactivate Fourth Army; completed FY 92
	JOLIET ARMY AMMUNITION PLANT, ELWOOD					
	JOLIET ARMY AMMUNITION PLANT, KANKAKEE					

CLOSURE HISTORY - INSTALLATIONS IN ILLINOIS

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	ROCK ISLAND ARSENAL	91/93	DBCRC	ONGOING	REALGNUP	1991 DBCRC: Depot Systems Command with the Systems Integration Management Activity (SIMA-E) realigned from Letterkenny Army Depot, PA to form the Industrial Operations Command (SIMA-E changed to remain at Letterkenny Army Depot by 1993 Defense Base Closure Commission); scheduled FY 95-96 Realign Armaments, Munitions, and Chemical Command to, and form a single inventory control point at, Redstone Arsenal, AL (Changed by 1993 Defense Base Closure Commission) 1993 DBCRC: Reorganize materiel management functions of the Armaments, Munitions, and Chemical Command under Tank Automotive Command, Detroit Arsenal, MI and leave in place (Change to 1991 Defense Base Closure Commission recommendation)
	SAVANNA ARMY DEPOT ACTIVITY					
AF						
	CAPITAL MAP AGS					

CLOSURE HISTORY - INSTALLATIONS IN ILLINOIS

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	CHANUTE AFB	88/93	DEFBRAC/DBCRC	COMPLETE	CLOSE/9-93	1988 DEFBRAC: Directed Closure. (Completed September 30, 1993) Directed realigning of major units and related support activities of the 3330th Technical Training Wing to existing technical training centers at several locations(examples of types of training as shown); Sheppard AFB, TX (See 1991 DBCRC) - 52 courses including aircraft engine, propulsion, maintenance, and aircrew life support training. Keesler AFB, MS - 22 courses including avionics and weather equipment maintenance, weather-satellite system, and photo-interpretation training. Lowry AFB, CO (See 1991 DBCRC) - 45 courses including missle support-equipment maintenance, intercontinental ballistic missle maintenance-officer, and cryogenic-operations training. Goodfellow AFB, TX (See 1991 DBCRC) - 25 courses including fire fighting, fire truck operations and maintenance, and fuel inspection training. 1993 DBCRC: Redirect Redirects movement of 16 Metals Tech NDI and A/C Structural Maintenance training courses from Sheppard AFB (prior recommendation), TX to NAS Memphis, TN. School wil move with the Navy to NAS Pensacola, FL. Savings projected at $17.5M.
	GREATER PEORIA APT AGS					
	O HARE IAP ARS	93	DBCRC	ONGOING	CLOSE/9-97	1993 DBCRC: RECOMMENDED CLOSURE (SEC 2984 PL-101-510) Accepted City of Chicago proposed closure and movement of 928AG (AFRES) and 126ARW (ANG) to Greater Rockford Airport, IL (Or other site as accepted by SECAF). Unsolicited move will entail approx $361M in costs to move. The proposal states that the City of Chicago must finance the entire move as well as replacement of facilities and environmental cleanup. The City's proposal also impacts an Army reserve unit that must either be moved or housed at Chicago O'Hare. If conditions are not met, DBCRC maintains that the units should remain in place.
	SCOTT AFB					

D

CLOSURE HISTORY - INSTALLATIONS IN ILLINOIS

03-Apr-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	DEFENSE CONTRACT MANAGEMENT DISTRICT, N	93	DBCRC	COMPLETE	CLOSE	1993 DBCRC: Accept DoD recommendation. Close DCMD Northcentral, Chicago, IL, and relocate its mission to the remaining three DCMDs.
N						
	NAS GLENVIEW	93	DBCRC	ONGOING	CLOSE	1993 DBCRC: Directed the closure of NAS Glenview and relocation of its aircraft, personnel, equipment and support to Navy Reserve, National Guard, and other activities. Housing will be retained to support NTC Great Lakes.
	NAVAL HOSPITAL, G LAKES					
	NAVAL TNG CTR GREAT LAKES	93	DBCRC	ONGOING	REALIGNUP	1993 DBCRC: Directed the closure of NTCs Orlando and San Diego with the transfer of duties and personnel to NTC Great Lakes.
	NAVY PUBLIC WRKS CTR, G LAKES					

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

ALAN J. DIXON, CHAIRMAN

COMMISSIONERS:
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REBECCA COX
GEN J. B. DAVIS, USAF (RET)
S. LEE KLING
RADM BENJAMIN F. MONTOYA, USN (RET)
MG JOSUE ROBLES, JR., USA (RET)
WENDI LOUISE STEELE

REMARKS BY CHAIR AT BEGINNING OF PUBLIC COMMENT PORTION OF THE CHICAGO REGIONAL HEARING

WE ARE NOW READY TO BEGIN A PERIOD SET ASIDE FOR PUBLIC COMMENT. OUR INTENT IS TO TRY INSURE THAT ALL OPINIONS ON THE RECOMMENDATIONS OF THE SECRETARY AFFECTING THIS COMMUNITY ARE HEARD.

WE HAVE ASSIGNED 30 MINUTES FOR THIS COMMENT. WE HAVE ASKED PERSONS WISHING TO SPEAK TO SIGN UP BEFORE THE HEARING BEGAN, AND WE HAVE ASKED THEM TO LIMIT THEIR COMMENTS TO TWO MINUTES, AND WE WILL KEEP TRACK OF THE TIME.

OF COURSE, WRITTEN COMMENT OR TESTIMONY OF ANY LENGTH IS WELCOMED BY THE COMMISSION AT ANY TIME DURING THE PROCESS.

IF ALL THOSE SIGNED UP TO SPEAK WOULD PLEASE RISE AND RAISE YOUR RIGHTS HANDS, I WILL ADMINISTER THE OATH.

THANK YOU. WE ARE READY FOR THE FIRST SPEAKER.

1995 List of Military Installations Inside the United States for Closure or Realignment

Part I: Major Base Closures

Army

Fort McClellan, Alabama
Fort Chaffee, Arkansas
Fitzsimons Army Medical Center, Colorado
Price Support Center, Illinois
Savanna Army Depot Activity, Illinois
Fort Ritchie, Maryland
Selfridge Army Garrison, Michigan
Bayonne Military Ocean Terminal, New Jersey
Seneca Army Depot, New York
Fort Indiantown Gap, Pennsylvania
Red River Army Depot, Texas
Fort Pickett, Virginia

Navy

Naval Air Facility, Adak, Alaska
Naval Shipyard, Long Beach, California
Ship Repair Facility, Guam
Naval Air Warfare Center, Aircraft Division, Indianapolis, Indiana
Naval Surface Warfare Center, Crane Division Detachment, Louisville, Kentucky
Naval Surface Warfare Center, Dahlgren Division Detachment, White Oak, Maryland
Naval Air Station, South Weymouth, Massachusetts
Naval Air Station, Meridian, Mississippi
Naval Air Warfare Center, Aircraft Division, Lakehurst, New Jersey
Naval Air Warfare Center, Aircraft Division, Warminster, Pennsylvania

Air Force

North Highlands Air Guard Station, California
Ontario IAP Air Guard Station, California
Rome Laboratory, Rome, New York
Roslyn Air Guard Station, New York

Springfield-Beckley MAP, Air Guard Station, Ohio
Greater Pittsburgh IAP Air Reserve Station, Pennsylvania
Bergstrom Air Reserve Base, Texas
Brooks Air Force Base, Texas
Reese Air Force Base, Texas

Defense Logistics Agency

Defense Distribution Depot Memphis, Tennessee
Defense Distribution Depot Ogden, Utah

Part II: Major Base Realignments

Army

Fort Greely, Alaska
Fort Hunter Liggett, California
Sierra Army Depot, California
Fort Meade, Maryland
Detroit Arsenal, Michigan
Fort Dix, New Jersey
Fort Hamilton, New York
Charles E. Kelly Support Center, Pennsylvania
Letterkenny Army Depot, Pennsylvania
Fort Buchanan, Puerto Rico
Dugway Proving Ground, Utah
Fort Lee, Virginia

Navy

Naval Air Station, Key West, Florida
Naval Activities, Guam
Naval Air Station, Corpus Christi, Texas
Naval Undersea Warfare Center, Keyport, Washington

Air Force

McClellan Air Force Base, California
Onizuka Air Station, California

Eglin Air Force Base, Florida
Robins Air Force Base, Georgia
Malmstrom Air Force Base, Montana
Kirtland Air Force Base, New Mexico
Grand Forks Air Force Base, North Dakota
Tinker Air Force Base, Oklahoma
Kelly Air Force Base, Texas
Hill Air Force Base, Utah

Part III: Smaller Base or Activity Closures, Realignments, Disestablishments or Relocations

Army

Branch U.S. Disciplinary Barracks, California
East Fort Baker, California
Rio Vista Army Reserve Center, California
Stratford Army Engine Plant, Connecticut
Big Coppett Key, Florida
Concepts Analysis Agency, Maryland
Publications Distribution Center Baltimore, Maryland
Hingham Cohasset, Massachusetts
Sudbury Training Annex, Massachusetts
Aviation-Troop Command (ATCOM), Missouri
Fort Missoula, Montana
Camp Kilmer, New Jersey
Caven Point Reserve Center, New Jersey
Camp Pedricktown, New Jersey
Bellmore Logistics Activity, New York
Fort Totten, New York
Recreation Center #2, Fayettville, North Carolina
Information Systems Software Command (ISSC), Virginia
Camp Bonneville, Washington
Valley Grove Area Maintenance Support Activity (AMSA), West Virginia

Navy

Naval Command, Control and Ocean Surveillance Center, In-Service Engineering West Coast Division, San Diego, California
Naval Health Research Center, San Diego, California

Naval Personnel Research and Development Center, San Diego, California
Supervisor of Shipbuilding, Conversion and Repair, USN, Long Beach, California
Naval Undersea Warfare Center-Newport Division, New London Detachment, New London, Connecticut
Naval Research Laboratory, Underwater Sound Reference Detachment, Orlando, Florida
Fleet and Industrial Supply Center, Guam
Naval Biodynamics Laboratory, New Orleans, Louisiana
Naval Medical Research Institute, Bethesda, Maryland
Naval Surface Warfare Center, Carderock Division Detachment, Annapolis, Maryland
Naval Technical Training Center, Meridian, Mississippi
Naval Aviation Engineering Support Unit, Philadelphia, Pennsylvania
Naval Air Technical Services Facility, Philadelphia, Pennsylvania
Naval Air Warfare Center, Aircraft Division, Open Water Test Facility, Oreland, Pennsylvania
Naval Command, Control and Ocean Surveillance Center, RDT&E Division Detachment, Warminster, Pennsylvania
Fleet and Industrial Supply Center, Charleston, South Carolina
Naval Command, Control and Ocean Surveillance Center, In-Service Engineering East Coast Detachment, Norfolk, Virginia
Naval Information Systems Management Center, Arlington, Virginia
Naval Management Systems Support Office, Chesapeake, Virginia

Navy/Marine Reserve Activities

Naval Reserve Centers at:

Huntsville, Alabama
Stockton, California
Santa Ana, Irvine, California
Pomona, California
Cadillac, Michigan
Staten Island, New York
Laredo, Texas
Sheboygan, Wisconsin

Naval Air Reserve Center at:

Olathe, Kansas

Naval Reserve Readiness Commands at:

New Orleans, Louisiana (Region 10)
Charleston, South Carolina (Region 7)

Air Force

Moffett Federal Airfield AGS, California
Real-Time Digitally Controlled Analyzer Processor Activity, Buffalo, New York
Air Force Electronic Warfare Evaluation Simulator Activity, Fort Worth, Texas

Defense Logistics Agency

Defense Contract Management District South, Marietta, Georgia
Defense Contract Management Command International, Dayton, Ohio
Defense Distribution Depot Columbus, Ohio
Defense Distribution Depot Letterkenny, Pennsylvania
Defense Industrial Supply Center Philadelphia, Pennsylvania
Defense Distribution Depot Red River, Texas

Defense Investigative Service

Investigations Control and Automation Directorate, Fort Holabird, Maryland

Part IV: Changes to Previously Approved BRAC Recommendations

Army

Army Bio-Medical Research Laboratory, Fort Detrick, Maryland

Navy

Marine Corps Air Station, El Toro, California
Marine Corps Air Station, Tustin, California
Naval Air Station Alameda, California
Naval Recruiting District, San Diego, California
Naval Training Center, San Diego, California
Naval Air Station, Cecil Field, Florida
Naval Aviation Depot, Pensacola, Florida

Navy Nuclear Power Propulsion Training Center, Naval Training Center, Orlando, Florida
Naval Training Center Orlando, Florida
Naval Air Station, Agana, Guam
Naval Air Station, Barbers Point, Hawaii
Naval Air Facility, Detroit, Michigan
Naval Shipyard, Norfolk Detachment, Philadelphia, Pennsylvania
Naval Sea Systems Command, Arlington, Virginia
Office of Naval Research, Arlington, Virginia
Space and Naval Warfare Systems Command, Arlington, Virginia
Naval Recruiting Command, Washington, D.C.
Naval Security Group Command Detachment Potomac, Washington, D.C.

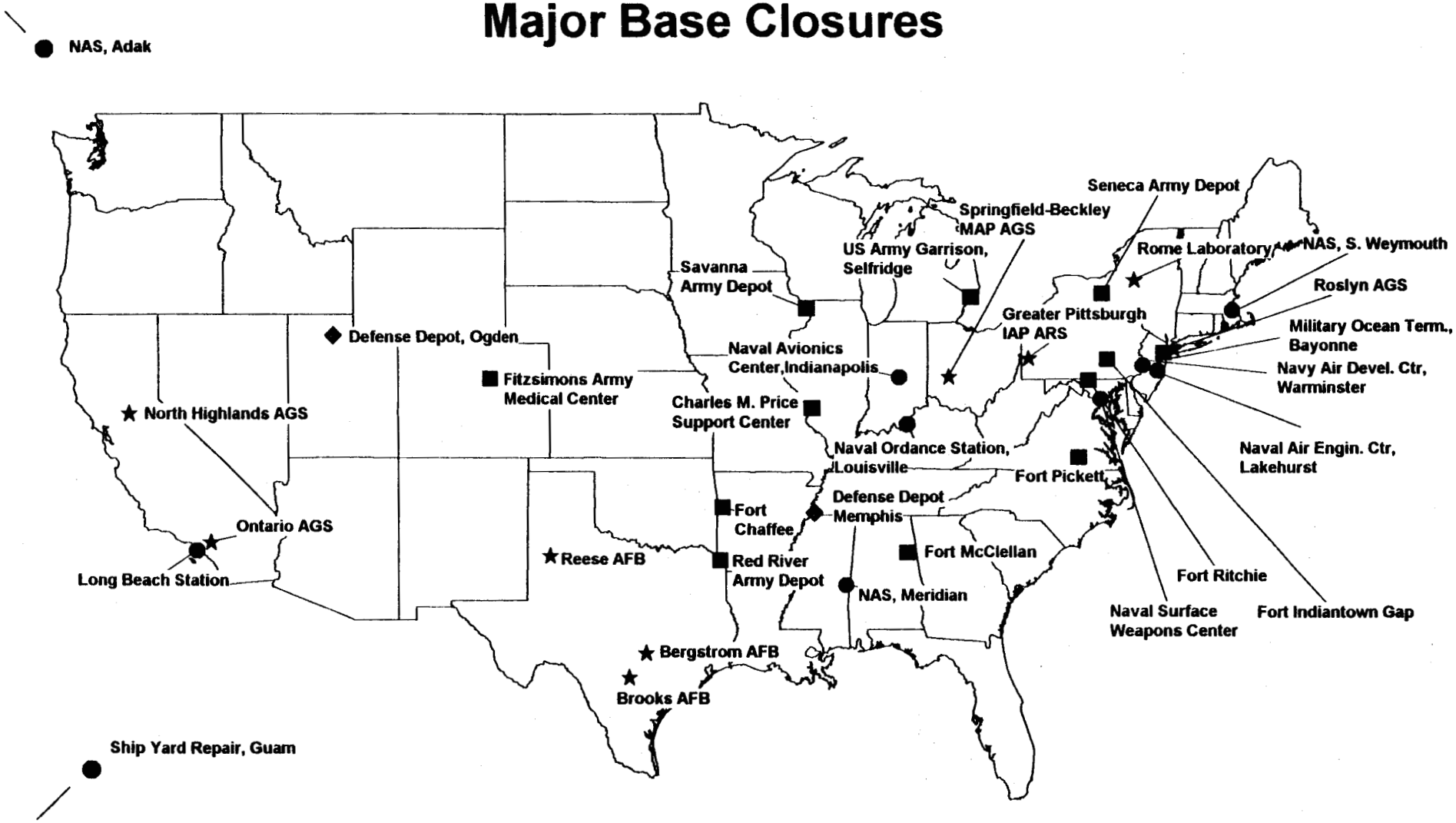
Air Force

Williams AFB, Arizona
Lowry AFB, Colorado
Homestead AFB, Florida (301st Rescue Squadron)
Homestead AFB, Florida (726th Air Control Squadron)
MacDill AFB, Florida
Griffiss AFB, New York (Airfield Support for 10th Infantry (Light) Division)
Griffiss AFB, New York (485th Engineering Installation Group)

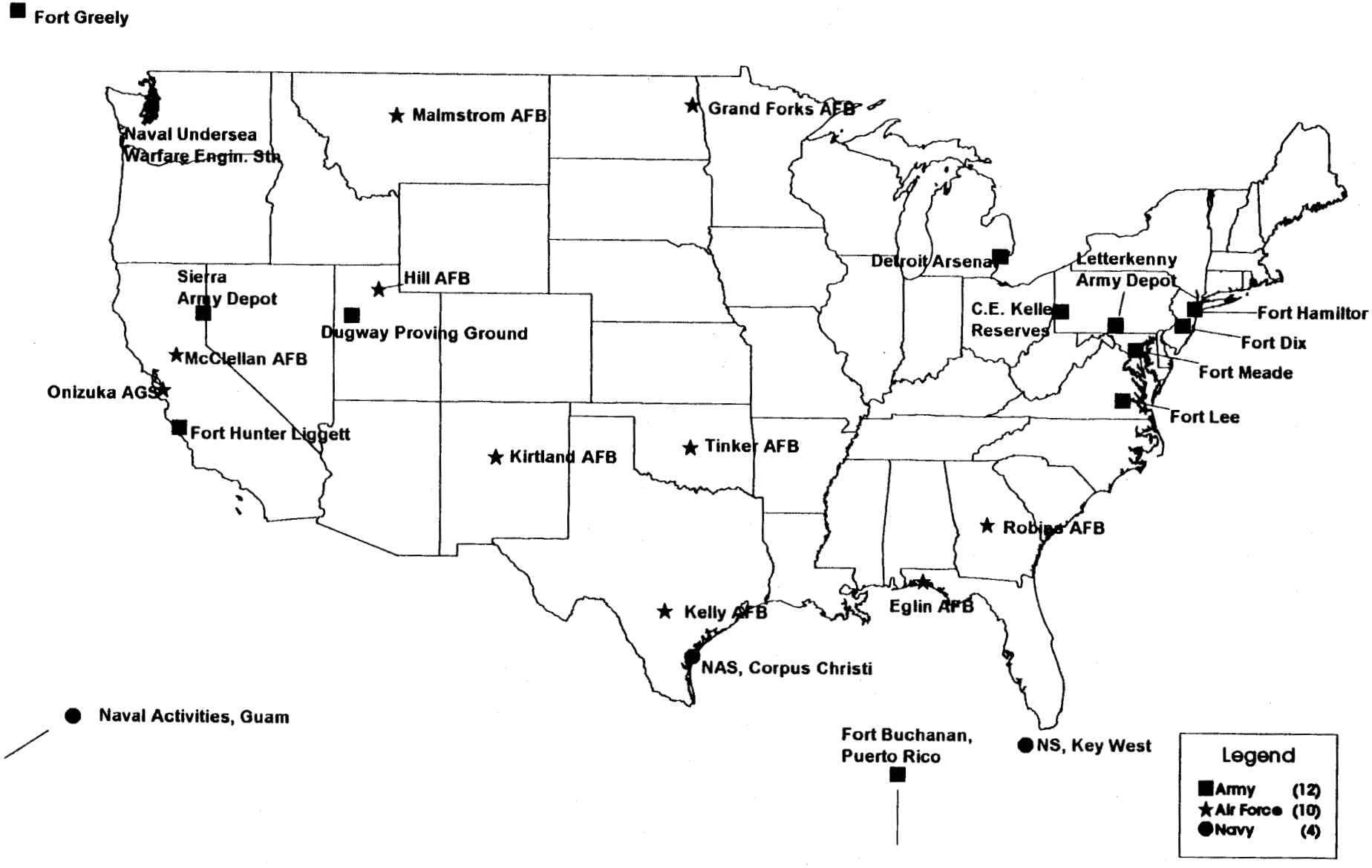
Defense Logistics Agency

Defense Contract Management District West, El Segundo, California

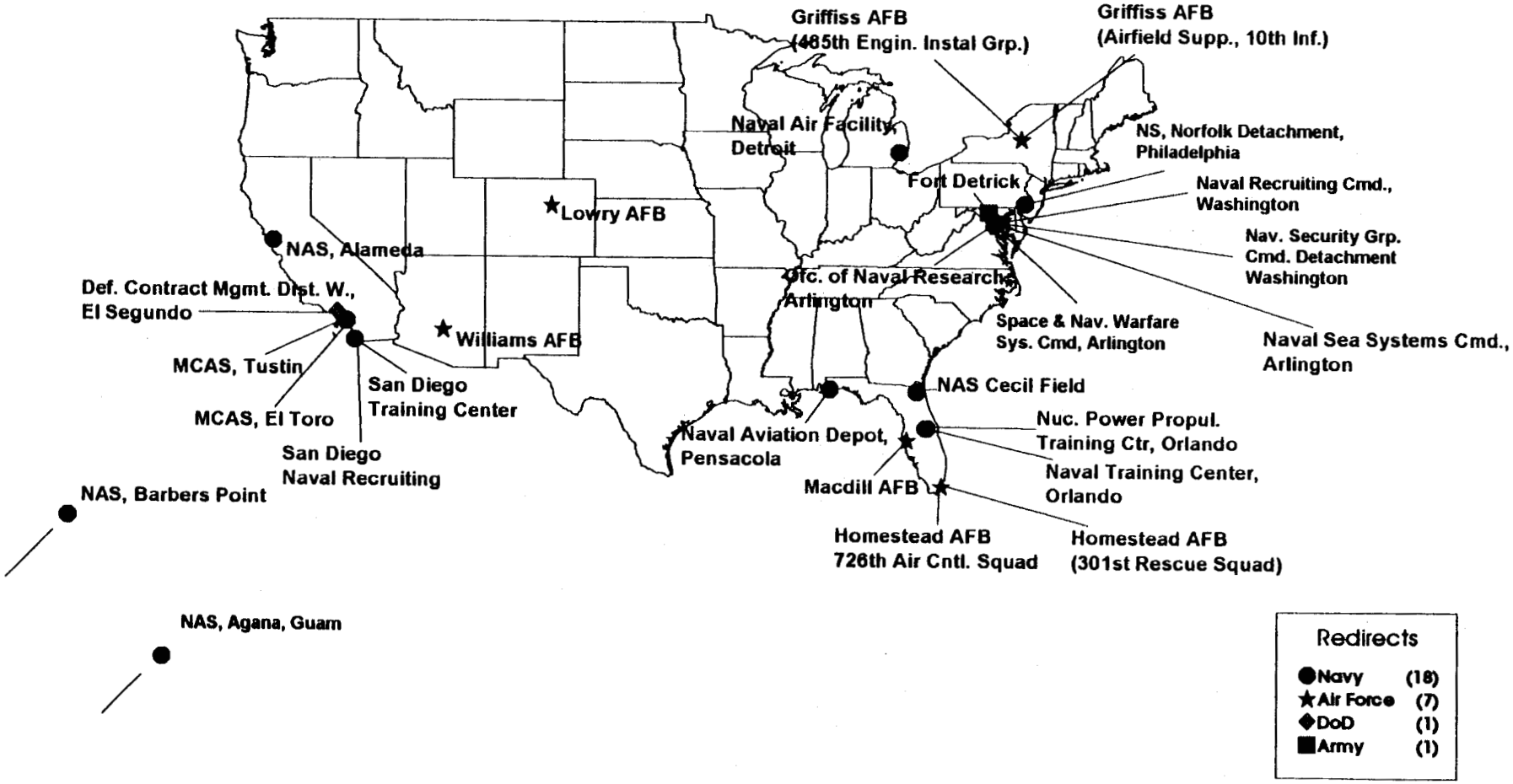
1995 DoD Recommendations
Major Base Closures



1995 DoD Recommendations
Major Base Realignments



1995 DoD Recommendations
Redirects



Document Separator

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0504

SCHEDULE FOR REGIONAL HEARING

ROSEMONT, ILLINOIS

April 12, 1995

10:00-10:10 a.m.	Opening remarks by Chairman Dixon	
10:10-11:00 a.m.	Illinois	50 minutes
11:05-12:05 p.m.	Missouri	60 minutes
12:10-12:40 p.m.	Public comment: Illinois, Missouri	
12:40-1:30 p.m.	break	
1:30-2:15 p.m.	Indiana	45 minutes
2:20-3:05 p.m.	Kentucky	45 minutes
3:10-3:50 p.m.	Michigan	40 minutes
3:50-4:00 p.m.	break	
4:00-4:25 p.m.	Ohio	25 minutes
4:30-4:35 p.m.	Wisconsin	5 minutes
4:40-4:45 p.m.	Kansas	5 minutes
4:50-5:20 p.m.	Public comment: Indiana, Kentucky, Michigan, Ohio, Wisconsin, Kansas	

(AS OF 3/24/95)

ILLINOIS

50 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

10:10AM - 10:13AM	**3 minutes**	**Senator Carol Moseley-Braun**
10:13AM - 10:16AM	**3 minutes**	**Lt. Gov. Robert Kustra**
10:16AM - 10:38AM	**22 minutes**	**<u>Charles Melvin Price Support Center</u>** **MajGen John E. Griffith, USAF (Ret)**
10:38AM - 11:00AM	**22 minutes**	**<u>Savanna Army Depot</u>** **Mr. Al Ehringer** **Co-Chairman of Savanna Army Depot Task Force and former Director, US Army Defense Ammunition Center** **Ms. Karen Stott** **Executive Director, Savanna Chamber of Commerce**

MISSOURI

60 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

11:05AM - 11:09AM	**4 minutes**	**Governor Mel Carnahan**
11:09AM - 11:13AM	**4 minutes**	**Mayor Freeman Bosley, Jr.**
11:13AM - 11:43AM	**30 minutes**	**Richard C.D. Fleming** **President and CEO,** **Regional Commerce & Growth Assn.** **Col. Philip R. Hoge, USA (Ret)** **Director, St. Louis Defense Task Force**
11:43AM - 11:55AM	**12 minutes**	**Woody Overton** **Regional Administrator, GSA** **Thomas Walker** **Asst. Regional Administrator- GSA**
11:55AM - 12:05PM	**10 minutes**	**Question and answer period**

INDIANA

45 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

1:30PM - 1:31PM	**1 minute**	**Mayor Stephen Goldsmith, Indianapolis, IN**
1:31PM - 1:41PM	**10 minutes**	**Senator Richard G. Lugar**
1:41PM - 1:46PM	**5 minutes**	**Congressman Andy Jacobs**
1:46PM - 1:50PM	**4 minutes**	**Mr. Glenn Lawrence** **Governor's Military Base Commission**
		<u>Naval Air Warfare Center- Indianapolis</u>
1:50PM - 2:10PM	**20 minutes**	**Mayor Stephen Goldsmith**
2:10PM - 2:15PM	**5 minutes**	**Question and Answer period**

KENTUCKY

45 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

2:20PM - 2:25PM	**5 minutes**	**Congressman Mike Ward**
2:25PM - 2:30PM	**5 minutes**	**Congressman Ron Mazzoli**
2:30PM - 2:32PM	**2 minutes**	**Congressman Mike Ward**
2:32PM - 2:37PM	**5 minutes**	**Judge/Executive Dave Armstrong** **Jefferson County, KY**
2:37PM - 2:39PM	**2 minutes**	**Congressman Mike Ward**
2:39PM - 2:44PM	**5 minutes**	**Mr. Larry Craig** **President, Machinists Union Local**
2:44PM - 2:45PM	**1 minute**	**Congressman Mike Ward**
2:45PM - 2:55PM	**10 minutes**	**Mayor Jerry Abramson, City of Louisville**
2:55PM - 2:58PM	**3 minutes**	**Congressman Mike Ward**
2:58PM - 3:05PM	**7 minutes**	**Question and answer period**

MICHIGAN

40 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

3:10PM- 3:17PM	7 minutes	Ms. Candice Miller, Secretary of State
3:17PM- 3:25PM	8 minutes	State Senator Ken DeBeaussaert Reading Senator Levin's statement
3:25PM- 3:31PM	6 minutes	Mr. Robert Carey Reading Senator Abraham's statement
		<u>Detroit Arsenal</u>
3:31PM- 3:35PM	4 minutes	Mr. Ben Polselli UAW Local President
3:35PM- 3:37PM	2 minutes	Questions for Detroit Arsenal
		<u>Selfridge Army Garrison</u>
3:37PM- 3:41PM	4 minutes	Col Leo Williams (USMCR) Regional Marketing Manager, Ford Motor Company
3:41PM- 3:43PM	2 minutes	State Senator Ken DeBaussaert
3:43PM- 3:45PM	2 minutes	State Representative Tracey Yokich
3:45PM- 3:47PM	2 minutes	Ms. Pamela Weeks Harrison Township Supervisor
3:47PM- 3:50PM	3 minutes	Questions for Selfridge Army Garrison

OHIO

25 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

		<u>Springfield Air National Guard Base</u>
4:00PM - 4:10PM	**10 minutes**	**MG Richard Alexander** **Adjutant General, Ohio**
4:10PM - 4:25PM	**15 minutes**	**Mr. Matt Kridler** **City Manager**
		Retired Colonel Dick Higgins

WISCONSIN

5 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

4:30PM - 4:35PM	**5 minutes**	**No scheduled witnesses.**

KANSAS

5 minutes

CHICAGO, IL REGIONAL HEARING
SCHEDULE OF WITNESSES

4:40PM - 4:45PM	**5 minutes**	**No scheduled witnesses.**

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8:05AM CT	Alan J. Dixon departs St. Louis, MO en route Chicago O'Hare: TWA flight 102.
9:20AM CT	Alan J. Dixon arrives Chicago O'Hare from St. Louis: TWA flight 102. * Will be picked up by Commission staff and escorted to the regional hearing.
9:30AM CT	Joe Robles arrives Chicago O'Hare from San Antonio: American flight 290. * Will be picked up by Commission staff and escorted to the regional hearing.
10:30AM CT	Wendi Steele arrives Chicago O'Hare from Houston Hobby Airport: Northwest flight 470. * Will be picked up by Commission staff and escorted to the regional hearing.
10:00AM to 5:20PM CT	**CHICAGO REGIONAL HEARING**
6:22 PM CT	Joe Robles departs Chicago O'Hare en route San Antonio, TX: American flight 290
6:25PM CT	Ben Montoya departs Chicago O'Hare en route Albuquerque, NM: American flight 1585
6:30PM CT	Wendi Steele and Lee Kling depart Chicago O'Hare en route Salt Lake City American flight 539
8:17PM MT	Ben Montoya arrives Albuquerque from Chicago O'Hare: American flight 1585
8:44PM CT	Wendi Steele and Lee Kling arrive Chicago O'Hare en route Salt Lake City, UT: American flight 539. * Will be picked up by Marilyn Wasleski and escorted to RON.
9:01PM CT	Joe Robles arrives San Antonio, TX from Chicago O'Hare: American flight 393

CHICAGO RON: **The Hyatt Regency O'Hare**
9300 Brynmawr Drive
708-696-1234
Cornella
Dixon

OGDEN CITY RON: **Best Western Ogden Park**
801-627-1190
Kling
Steele

Thursday, April 13

1:25PM CT Al Cornella departs Chicago O'Hare en route Denver, CO: American flight 1055.

2:55PM MT Al Cornella arrives Denver from Chicago O'Hare: American flight 1055.

AURORA RON: **Doubletree Hotel**
13696 E. Illiff Place
303/337-2800
Cornella

DAVID E. BONIOR
10TH DISTRICT, MICHIGAN

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FAX: (313) 469-7950
TTY AVAILABLE

526 WATER STREET
PORT HURON, MI 48060
TEL.: 987-8889
FAX AVAILABLE

April 10, 1995

950414-6

Honorable Alan J. Dixon, Chairman
Defense Base Closure & Realignment Commission
1700 North Moore Street, Suite 1425
Arlington, VA 22209

Dear Chairman Dixon:

I am writing to add my voice in objecting to the closure of the Army Garrison at Selfridge Air National Guard Base. I agree with the overall goal of reducing the number of military facilities and making responsible reductions in our military budget, however, I believe the decision to close the Army Garrison should be reconsidered.

Closing the Army Garrison will not in the short or long run save the U.S. taxpayers any money. Although the Army will see a cost savings, these are more than offset by the costs to other services in providing housing for their personnel and in replacing the essential services currently being performed by the Army. These costs were not considered by the Army at all. We need to consider the entire Department of Defense budget, and in this case, I am confident we have not looked at the whole picture.

We should be about making military life compatible with family life. I find it therefore ironic that so soon after Secretary of Defense Perry announced the Quality of Life Task Force, we will be dismantling the very structure that promotes quality of life for our military families at Selfridge. I am particularly concerned about the effect these cuts will have on our junior personnel and retirees. At a time when we should be promoting the benefits of joining the military to ensure a strong volunteer force, we will be removing family housing, education centers, counseling services, and recreation facilities from this base. If we truly want to improve the quality of

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life for military families, we need to provide more of what is offered at Selfridge, not take it away.

Selfridge is home to 694 military families, including 72 Marine, 80 Air Force, 90 Navy, 123 Coast Guard, and 329 Army. All of the families live in Selfridge housing because they choose to do so. In addition, there are 78 unaccompanied service members who call Selfridge their home. The Army's proposed closure will evict all of these service members and their families from their military housing. If the Army Garrison does close, only two military families will actually be reassigned from Selfridge. All the other above mentioned miltary families and personnel, including 327 Army families, will have to find alternative housing.

The Army's analysis assumes all the service members can find suitable housing within their housing allowances. This housing does not exist at any price in this area and certainly not within the housing allowances currently paid to these military members. When the Army prepared its COBRA model, they traded the entire Selfridge military housing budget for the 694 families against the cost of providing substitute housing for the Army personnel only. In effect, the cost of the housing for all other military members was treated by the Army as a "savings."

Selfridge Air National Guard Base is the premier "joint" military base in the country. The Army, Navy, Air Force, Marines, Coast Guard, National Guard, active duty and reserves all work together as a team. While the Department of Defense promotes this very policy of joint cooperation among the various branches, the Commissioner's recommendation in this instance undermines their own goal. By removing the Army Garrison that is the sole provider of the support infrastructure at Selfridge, you take away the heart that is critical to carrying out the joint mission. The Army Garrison cannot close without a catastrophic impact on all the other units at Selfridge. This closure will result in the elimination of the base housing and MWR activities. In effect, this destroys the base's infrastructure while maintaining the operational missions. I am deeply concerned that the Army has apparently recommended the closure of the Army Garrison without any consideration of, or coordination with, the other services.

Finally, I would request you check to see if there really is a cost saving to our overall military budget that is worth placing in jeopardy the joint mission at Selfridge while removing the support system our military families not only need but deserve.

Please know that I would have attended the hearing in person if it were not for a previous commitment in my district. My Administrative Assistant, Christine Koch, will be in attendance. I hope my comments will be helpful to your process and I look forward to meeting with a representative from the Commission during the base visit to Selfridge.

Sincerely,

David E. Bonior
Member of Congress

PHOTO IDENTIFICATION GUIDE
FOR
SELFRIDGE ARMY GARRISON, MICHIGAN

1. LT THOMAS SELFRIDGE & ORVILLE WRIGHT, 1917, FT. MYERS, VA

2. SELFRIDGE UNDER CONSTRUCTION, 1917, WW-I

3. CURTIS P-12, 1930

4. P-39 AIRCOBRA AT SELFRIDGE

5. AT-6 TRAINER

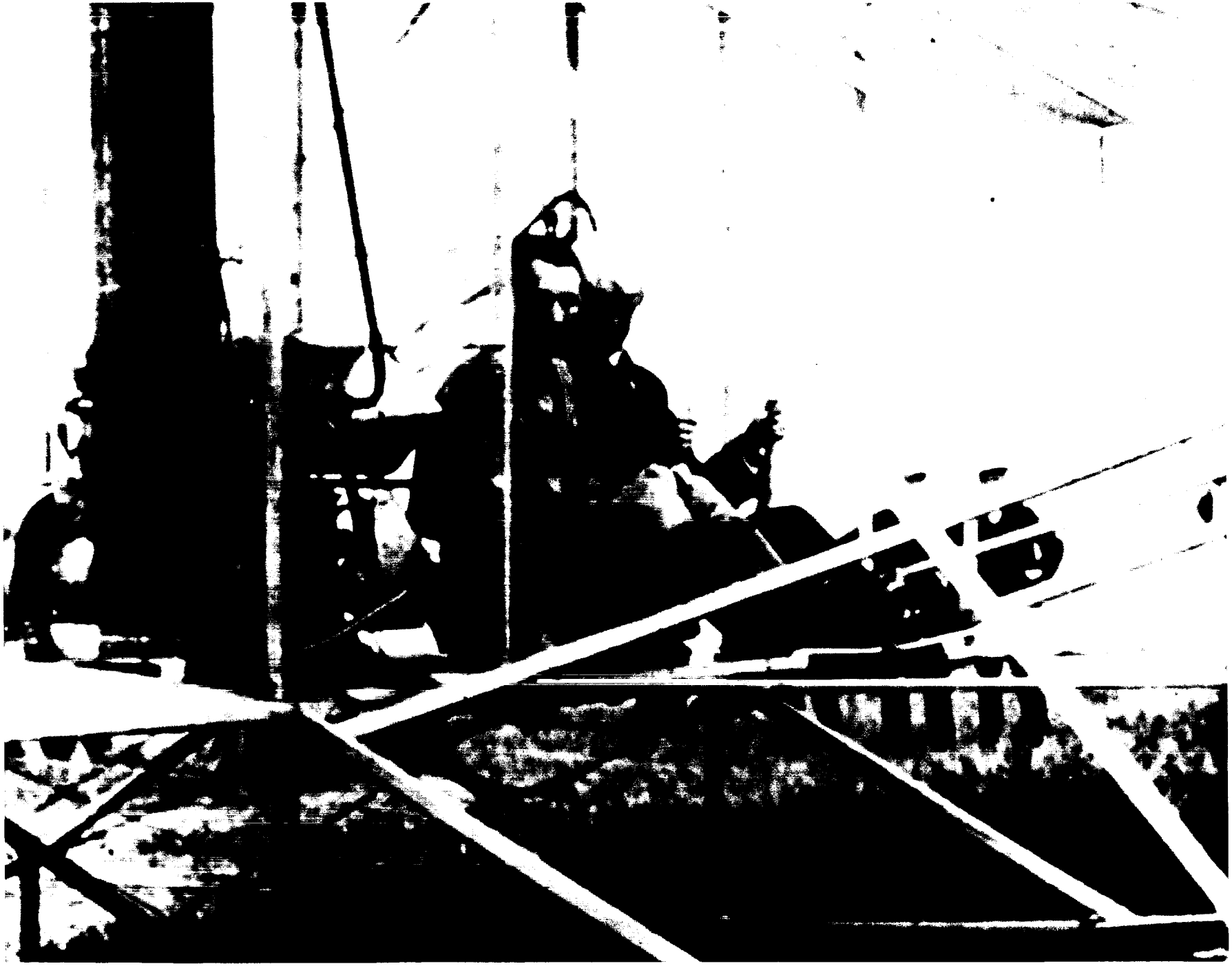
6. F-4 AIR INTERCEPTOR FROM THE 191st FIGHTER INTERCEPTOR GROUP

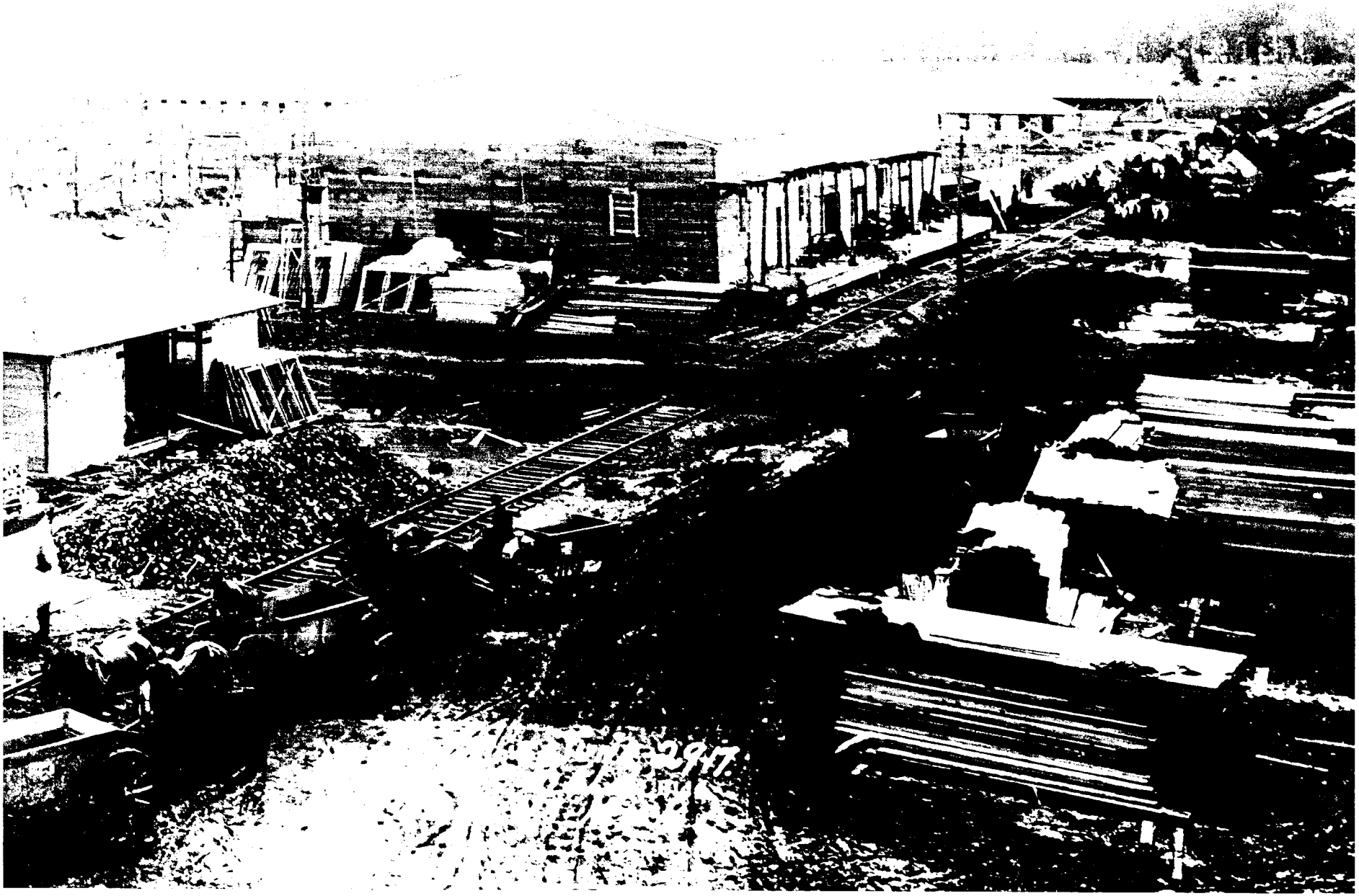
7. F-16 FROM THE 127FW, SELFRIDGE ANGB, MI NORWAY DEPLOYMENT 1994

8. CHILD DEVELOPMENT CENTER, 1995

9. BUILDING 780, MWR, FAMILY SERVICES, GYM, LIBRARY, EDUCATIONAL CENTER, RETIREE CENTER AND DRUG/ALCOHOL ABUSE COUNSELING

10. US ARMY HEALTH CLINIC, 1995

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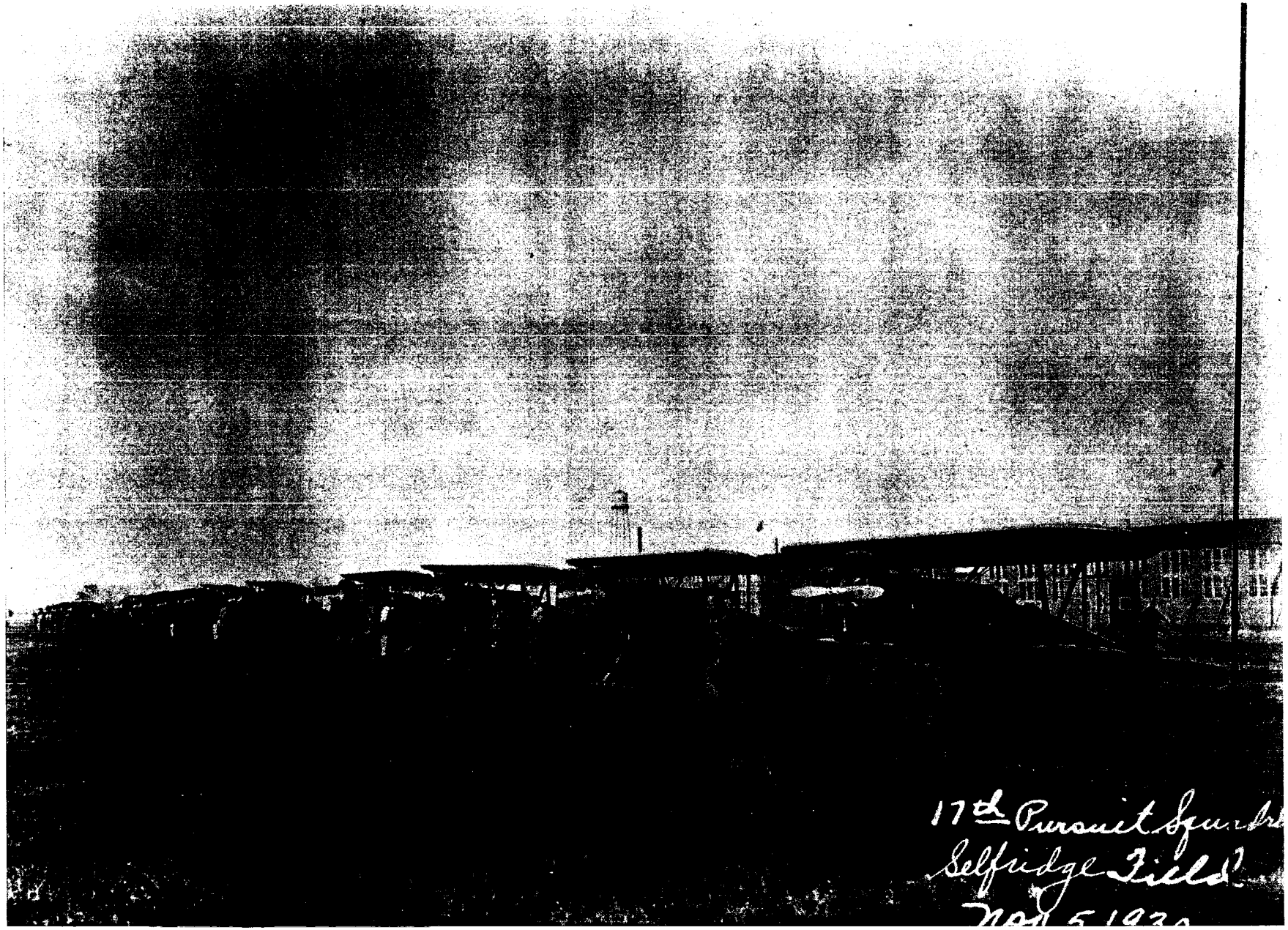
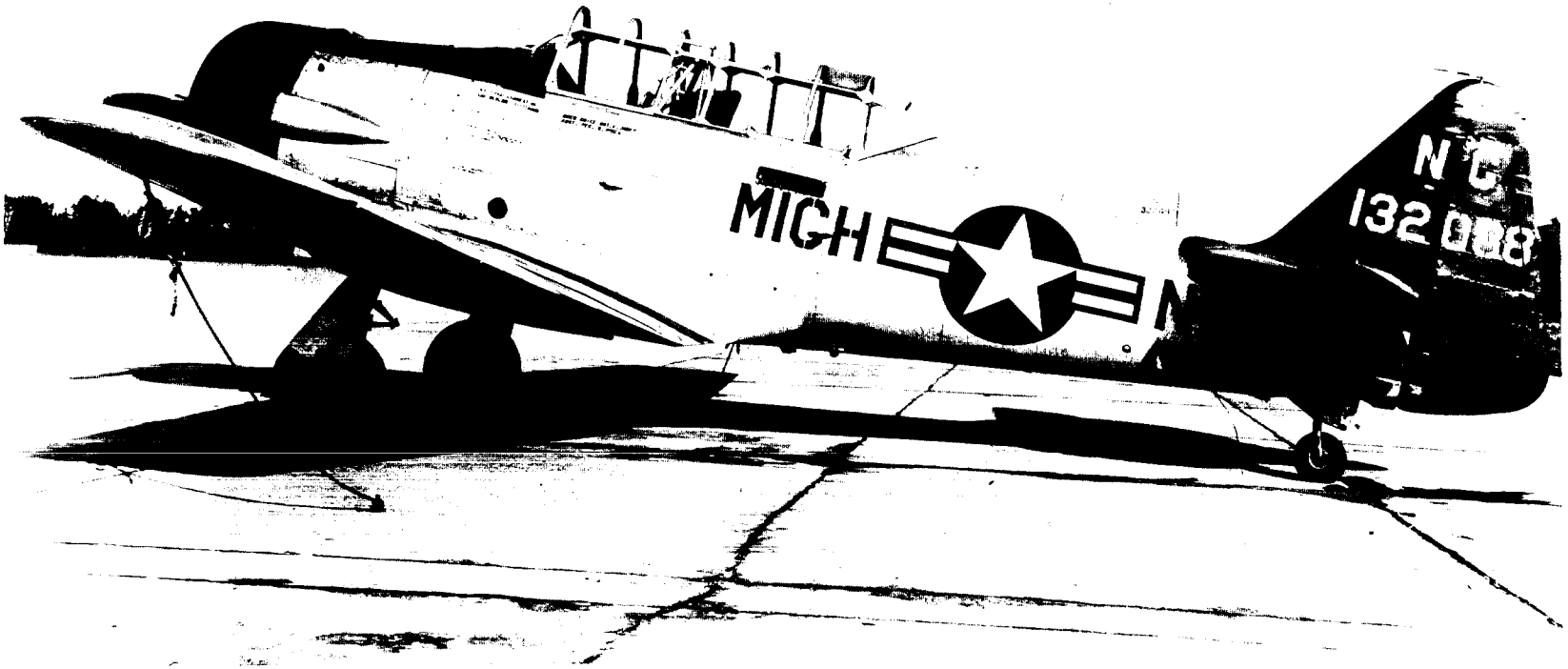

17th Pursuit Squadron
Selfridge Field
Nov 5 1930

★"Airacobra" Squadron Selfridge Field, Mich.★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Michigan
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U.S. AIR FORCE