

# **FRANK CIRILLO**

**CHICAGO REGIONAL HEARING  
TRANSCRIPT**

**April 12**

1 DEFENSE BASE CLOSURE  
2 AND REALIGNMENT COMMISSION  
3  
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6 CHICAGO, ILLINOIS :  
7 REGIONAL HEARING :  
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11 The following transcript of  
12 proceedings had in the above-named matter at the  
13 Rosemont Convention Center, 5555 River Road,  
14 Rosemont, Illinois on the 12th day of April, 1995,  
15 10:00 a.m.

16 PRESENT:

17 CHAIRMAN ALAN DIXON  
18 COMMISSIONER WENDI L. STEELE  
19 COMMISSIONER JOSUE (JOE) ROBLES, JR.  
20 COMMISSIONER S. LEE KLING  
21 COMMISSIONER AL CORNELLA  
22  
23  
24

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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.

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

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

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.

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.

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.

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

1 allotted to you?

2 MAJOR GENERAL GRIFFITH: Sir, I expect to use  
3 12 or 13 minutes for the presentation and then  
4 would like to leave the balance for your  
5 questions, sir.

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

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

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

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

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

19 GENERAL GRIFFITH: Yes, Chairman.

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

24 General Griffith?

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PRESENTATION

BY

MAJOR GENERAL GRIFFITH:

Mr. Chairman, thank you,  
Commissioners, staff, I, in addition to being  
joined by Chairman Hagnauer, and I want to  
acknowledge Mayor Bellcoff of the City of Madison  
and Brian Lott, who is of Congressman Jerry  
Costello's staff, who's here this morning.

I'm pleased and honored to have  
been selected to present the community view of the  
recommended closure of the Price Support Center.

My comments this morning will  
follow the outline that you see here. I will  
discuss the various aspects of the Army's  
recommendation, what we think about it and why,  
some opportunities presented, and our conclusion.

The Army recommended -- the Army's  
recommendation says that the Charles Melvin Price  
Support Center's mission must be recognized and  
adequately funded, and we certainly agree with  
that. This is the Army's recommendation.

The Army further states the closure  
of Price is related to their recommendation to

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.

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.

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

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.

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 \$ 1  
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

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 \$2 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

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

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.

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

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

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.

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

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.

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.

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.

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.

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

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; Schenckady, 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

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

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

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

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 --

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

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

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

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.

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

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.

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

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.

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

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

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?  
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PRESENTATION

BY

GOVERNOR CARNAHAN:

Senator Dixon, Commissioners, we very much appreciate your granting us this time to --

CHAIRMAN DIXON: Governor -- please stop the clock. We'll start over. I humbly apologize. It's hard for me to remember that I have to swear you all in. I hope you'll take no exception, and would you please raise your -- stand and raise your right hands, all of you.

(Witnesses sworn.)

Thank you, Gentlemen. That's required by federal statute.

Governor Carnahan, we are pleased to have you here, sir. Please proceed. I apologize for the interruption.

GOVERNOR CARNAHAN: I want to thank you for providing us with this time to present our case. I want to thank the Commissioners and the staff for their attention during the site visits both at Fort Leonard Wood and at the Aviation and Troop Command.

Earlier you heard from the Illinois

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

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

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

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.

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

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

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

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.

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

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

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

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,

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.

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

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 --

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

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

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

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

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

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.

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

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

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

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

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,

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

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

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

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

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

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 our \$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

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

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

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 tag 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

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.

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

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.

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.

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

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 \$145 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.

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

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

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

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

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

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

7 (Laughter.)

8 Commissioner Cornella?

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

13 DIRECTOR SHORP: Be glad to.

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

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

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

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

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

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

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

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

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.

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

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

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. Krantz, 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

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.

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

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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PRESENTATION

BY

MR. BEARDEN:

Thank you, Mr. Chairman, Members of the Commission. I'm Carl Bearden. I'm chairman of the St. Charles County Council. As a member of local government, I question how the federal government can count the ATCOM move as a real count.

ATCOM does operate in a government owned-facility, but we are operating a building that we are leasing from a private developer, who's moving to an existing federal facility, but it's not the case with ATCOM. In fact, the move is going to cost the taxpayer money.

I know local government can't play that kind of shell game and get away with it and I do think the federal government can't either. We all want to eliminate waste, but they can't be fooled by false accounting tricks any longer. We are really in cost savings. They're not really saving. If this move is any example of the cuts we can expect from Washington, we are all in trouble. I urge you to remove ATCOM from the base

1 closure list.

2 CHAIRMAN DIXON: Thank you, Mr. Bearden.

3 Betty Thompson?

4 PRESENTATION

5 BY

6 MS. THOMPSON:

7 Good afternoon. My name is Betty

8 Thompson representing the St. Louis County

9 Executive, the Honorable John Buz Westfall.

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

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

24 Why would they want to close the

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

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

10 George Atchison?

11 PRESENTATION

12 BY

13 MR. ATCHISON:

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

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

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

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

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

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 or 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

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

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

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

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.

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 Jackson?

15 PRESENTATION

16 BY

17 MR. JAKCSON:

18 Mr. Chairman, Bob Jackson. 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.

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

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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Mr. Rick Stream?

PRESENTATION

BY

MR. STREAM:

Good afternoon Commissioners. My name is Rick Stream. For the past 19 years I have worked as a program budget director and analyst at Abeo Aviation. Prior to that, I was on active duty.

The army's data justifying their decision, it's clear to me the cost savings are vastly overstated and costs are significantly understated.

I'm deeply disappointed in the Army's sloppy use of data and its justification. One example is it's highly inflated personnel baseline for PEO (phonetic) and SIMA, in addition, the army executed a COBRA run in October 1994 which showed a one-time cost of 180 million and 700 positions eliminated just two months later.

The Army executed a number of overruns reducing its one-time cost by \$40 million and adding nearly 300 positions to be eliminated.

There was no involvement by the

1 ATCOM staff during this step to either validate  
2 the position losses or assess 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

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.

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

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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The incinerator at Fort Leonard  
Wood emissions of Serin, the toxic nerve agent  
responsible for the recent deaths of subway riders  
in Japan --

CHAIRMAN DIXON: You'll have to put the rest  
of your remarks in the record. Thank you very  
much.

We are adjourned until precisely  
1:30 this afternoon. At 1:30, we'll hear from the  
State of Indiana.

(Whereupon, the above matter  
was adjourned at 12:30 to be  
continued at 1:30 o'clock  
p.m., the same day.)

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

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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PRESENTATION

BY

SENATOR LUGAR:

Mr. Chairman, I thank you for your greetings, Members of the Commission. I'm honored to testify before you today to discuss the Department of Defense's recommendation in the Base Closure statement to close the Naval Air Warfare Center in Indianapolis, Indiana.

I'd like to make several opening remarks and answer questions you or members of the Commission may have.

I would like to request a copy of my full statement be included for the record.

CHAIRMAN DIXON: And it will be admitted in the record.

SENATOR LUGAR: I thank you, on behalf of my colleague, Senator Dan Coats, for that sincere courtesy.

I appreciate this opportunity to share my thoughts with you about the Naval Warfare Center and to express my support for an alternative partnership proposal prepared by Indianapolis Mayor Steve Goldsmith.

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.

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

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

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

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

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

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

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

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,

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,

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.



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

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

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

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

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

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,

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

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

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

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

1 the private sector. The NAWC scientists took it  
2 in, tinkered 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 seamless 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

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.

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.

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

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

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

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 seamless 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

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

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 mavor 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

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

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.

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

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.

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

9 appreciate your taking the time -- I think I will  
10 start at the beginning again to just to make sure  
11 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

14 Naval Ordnance Station at Louisville open. It is  
15 a world class facility, in my opinion, and should  
16 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

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

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.

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 Navel  
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

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.

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

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.

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.

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

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

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.

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

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

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 quo 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

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

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

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

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

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

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 contiguous 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

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

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

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.

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

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

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.

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 saddened 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

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.

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,

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

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

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.

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

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

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?

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

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 emphasize 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

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

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 DeBeaussiaert 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

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

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.

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.

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

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

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

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?

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

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

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 military 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.

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 military command, has provided these  
22 functions at Selfridge.

23 TACOMSA is singularly responsible  
24 for the operation and administration of all

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

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 military 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 military salary of \$31,000, both 50-100 percent  
20 above the average. This also overlooks the fact  
21 that TACOMSA only has 20 military personnel  
22 assigned.

23 The aforementioned illustrates how  
24 the TACOMSA proposal appears incomplete. In my

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 believe the federal  
16 government would only save these expenditures 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

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

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

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 Polsell, the UAW local president, and,  
24        Mr. Polsell, will Mr. Coakley be also making a

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

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

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

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

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. Polsell?

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

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. Polsell.

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.

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

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

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,

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

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 Leo Williams, we're  
16 indebted to you for your contribution.

17 And according to my schedule, State  
18 Senator Ken DeBeaussiaert will be ready again.

19 PRESENTATION

20 BY

21 STATE SENATOR DeBEAUSSAERT:

22 Thank you again. I'm Ken  
23 DeBeaussiaert and it's my privilege to represent  
24 the Selfridge Base and the surrounding communities

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

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

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

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

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

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

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?





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

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 ~~the~~ 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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,

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.

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.

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?

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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

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

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

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.

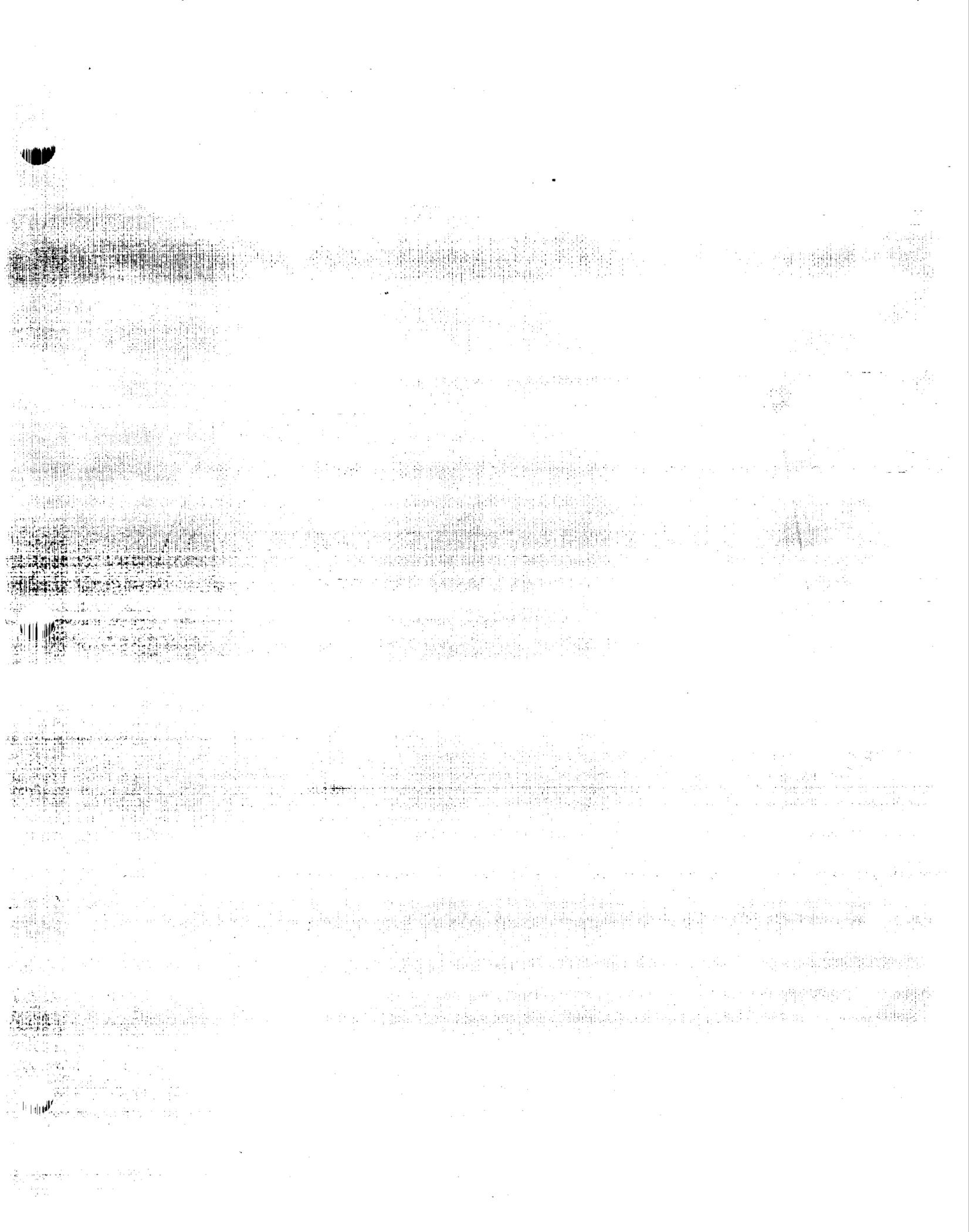
22 This team is unique within the DOD  
23 and that within one building under one roof we  
24 have the capability to go from pure research to

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 Baldrige 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.



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

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PRESENTATION

BY

MR. PIEKUTOWSKI:

It's Piekutowski.

Thank you, Commissioners.

UAW Members and their families went through hell in the early '80s when Chrysler sold their plant to General Dynamics Corporation, I'm talking about the tank plant, and, once again, these union folks are about to be slammed.

We at the UAW, Local 1248, who support and make components for the Detroit Tank Plant say enough is enough. We hope that you will help keep this plant open and operating in Michigan. I was hopeful that our mayor of the City of Warren might come and community officials in the State of Michigan where the plant is located and the governor and the state leaders were here. Obviously, they're not.

We are also hopeful that the citizens will work toward keeping this tank plant open. I appreciate your time.

COMMISSIONER ROBLES: Thank you,  
Mr. Piekutowski.