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1 yet, but -- Mr. Chairman?

2 CHAIRMAN DIXON: Commissioner Davis.

3 COMMISSIONER DAVIS: I could say that we just had

4 an Assistant Secretary of the Air Force make a commitment.

5 The President at the time and the presidential candidate made

6 a commitment on keeping Homestead open, but I would like to

7 review the Homestead --

8 CHAIRMAN DIXON: If memory serves me, in that

9 presidential election, both presidential candidates promised

10 it. That will happen next time again, I suspect, as well.

11 Now, what do you want to say about this, Commissioner Davis?

12 COMMISSIONER DAVIS: Sir, I'd like to get the

13 Homestead brief so we can talk about it --

14 MR. CIRILLO: D-12 and D-13 --

15 CHAIRMAN DIXON: Now wait. Now wait. We're

16 still -- pardon me, but we're still on Bergstrom,

17 essentially, are we not?

18 MR. CIRILLO: That's correct.

19 CHAIRMAN DIXON: I wonder if we pursued that

20 assiduously and whether everybody is satisfied?

21 COMMISSIONER COX: If I could ask just one more

22 question about Bergstrom, and then I'd like to move on to

1 Homestead, too.

2 CHAIRMAN DIXON: Commissioner Cox.

3 COMMISSIONER COX: On Bergstrom, it's my

4 understanding that if we reject the Secretary's

5 recommendation, the DOD's recommendation, that they would

6 rather that they get rid of an F-16 unit by themselves --

7 literally get rid of this F-16 unit and convert it to a

8 tanker unit or whatever. So they would take care of the

9 extra F-16 unit; is that correct?

10 LIEUTENANT COLONEL BEYER: By internal conversion

11 action.

12 COMMISSIONER COX: By internal conversion. And so

13 the need to get rid of an -- we don't have to worry about

14 getting rid of an F-16 unit; is that correct?

15 LIEUTENANT COLONEL BEYER: The issue is cost.

16 COMMISSIONER COX: Right. Understandably, you

17 don't get rid of the infrastructure. I certainly agree.

18 COMMISSIONER STEELE: I have one final question on

19 Bergstrom, please. Just for the Bergstrom community's sake,

20 we heard from the Carswell community that Bergstrom's long-

21 term plans for the airport had a runway or something going

22 right through where the reserve unit is currently located,

1 but then I later heard that that was an early version of the
2 plan and that has since changed.
3 And I wonder if you could just let us know if the
4 city plans to go right through the reserve unit if it stays
5 or if they have decided to work around it.
6 LIEUTENANT COLONEL BEYER: What you're referring to
7 is an early drawing, I think about 1993, that showed terminal
8 expansion into the reserve cantonment area. And once the
9 city of Austin realized that that was unacceptable, because
10 the cantonment is federal property, and it simply wasn't an
11 option, they redrew their terminal expansion plan.
12 And there is no infringement upon the cantonment
13 area. As a matter of fact, the airport is built around the
14 cantonment area specifically to accommodate the reserve.
15 COMMISSIONER STEELE: So from your knowledge, it
16 was an oversight. It's not a city plan to want any kind of
17 reserve unit to move out?
18 LIEUTENANT COLONEL BEYER: That's correct.
19 COMMISSIONER STEELE: Okay.
20 COMMISSIONER COX: In fact, as I understand it, as
21 you've mentioned, it cost them more to move the terminal so
22 they could make sure it was not in the way of the cantonment

1 area.

2 LIEUTENANT COLONEL BEYER: Make no mistake about

3 it, the city has accommodated the reserve and its cost them

4 for it, and also they were going to convert Bergstrom into

5 their airport at any rate whether the reserves were there or

6 not.

7 COMMISSIONER COX: Oh, I agree.

8 CHAIRMAN DIXON: Now, let the Chair say there has

9 been some discussion up here. What we're going to do, we're

10 going to discuss all of these Air Force Reserve F-16s, and

11 then we'll either make a selection or we won't make a

12 selection, but we'll muddle around until we do something.

13 Now, what are we on next?

14 COMMISSIONER MONTOYA: Mr. Chairman, I'd like to

15 make one more comment on Bergstrom.

16 CHAIRMAN DIXON: Commissioner Montoya.

17 COMMISSIONER MONTOYA: I don't want to have it

18 appear that this gentleman has a conscious and I don't

19 regarding promises. I do need to make another observation.

20 Our Congress is dealing these days with promises called

21 entitlements, and they're having a heck of a time with that.

22 CHAIRMAN DIXON: No kidding.

1 COMMISSIONER MONTOYA: And when I was in the Navy,
2 we went through a process -- you won't believe this process
3 of selling ships to home ports, and community spent enormous
4 amounts of money and resources to get Navy ships to come.
5 And I can tell you that today Galveston, Staten
6 Island, Mobile, Alabama, Lake Charles, Louisiana, who made
7 significant commitments are still waiting for their Navy ship
8 to arrive, and it probably never will because times change.
9 And I think that we've got to keep that in mind as we think
10 about government promises.
11 CHAIRMAN DIXON: Well, as a member that was there
12 during the home porting debates who spoke against home
13 porting, I have to share the view of my distinguished
14 colleague. Next question.
15 LIEUTENANT COLONEL BEYER: The final comment I have
16 on Bergstrom is that if the decision is to close Bergstrom
17 there are other federal agencies and DOD units, including the
18 Texas National Guard, that would move into the facilities
19 vacated by the fighter wing there.
20 COMMISSIONER DAVIS: Mr. Chairman?
21 CHAIRMAN DIXON: Commissioner Davis.
22 COMMISSIONER DAVIS: With your permission, it looks

1 like we're starting to get into -- we're looking for a winner
2 in this competition. So it would be my recommendation that
3 we brief all three bases that are in competition and then do
4 the appropriate motions thereafter.
5 CHAIRMAN DIXON: Okay. I think that's an excellent
6 idea, and if there are no objections, let's do it.
7 LIEUTENANT COLONEL BEYER: I direct your attention
8 to slide D-7 --
9 COMMISSIONER COX: I'm sorry, Colonel Beyer.
10 Before we do that, you just made a statement that the
11 National Guard or somebody was interested in taking over the
12 Bergstrom. Do we have any letters to that effect?
13 LIEUTENANT COLONEL BEYER: We have minutes of
14 meetings of the local military council, if you will, that
15 shows of all the people that are prospective tenants for
16 Bergstrom what their plans are in the event of a closure of
17 the --
18 COMMISSIONER COX: Does the local military council
19 get to decide where the National Guard goes?
20 LIEUTENANT COLONEL BEYER: It would be
21 representatives from the Texas National Guard that are there
22 expressing the plans, and nothing is firm, of course. These

1 are notes about future events that are no guarantee. This is
2 perspective only.
3 COMMISSIONER COX: This is their hope for a reuse
4 if Bergstrom goes; is that correct?
5 LIEUTENANT COLONEL BEYER: Correct. That is
6 correct.
7 COMMISSIONER COX: And nobody in the Governor's
8 office or the National Guard has indicated that that's what
9 they want to do?
10 LIEUTENANT COLONEL BEYER: Correct.
11 COMMISSIONER COX: Thank you.
12 CHAIRMAN DIXON: Thank you, Commissioner Cox.
13 MR. CIRILLO: Mr. Chairman?
14 CHAIRMAN DIXON: Mr. Cirillo.
15 MR. CIRILLO: Yes, sir. We've covered a lot of the
16 issues on the chart there. I don't know if anybody has any
17 questions. We can go through these issues one at a time, but
18 it appears to include the force structure reductions which
19 you already covered and the fact which is a total base
20 closure and which isn't.
21 Obviously, Bergstrom and Homestead would be.
22 Carswell would not, and the cost issue, which is the last.

1 If anybody has any questions on those, we'd be glad to cover
2 those with you.
3 CHAIRMAN DIXON: Are there any questions of
4 Mr. Cirillo or any observations by any of the Commissioners
5 or even any suggestion about which one we vote on first?
6 Because the Chair doesn't have a dog in his bite. I'm just
7 trying to get through this Air Force Reserve F-16 question.
8 COMMISSIONER COX: I have a suggestion, too. I
9 have a motion. CHAIRMAN DIXON: You have a motion?
10 COMMISSIONER COX: I think it will help clarify
11 matters.
12 CHAIRMAN DIXON: Let's hope so.
13 COMMISSIONER COX: Even though we added it to the
14 list, I suggest that we vote to take out of further
15 consideration Carswell. That will at least get that one out
16 of the way.
17 CHAIRMAN DIXON: All right.
18 M O T I O N
19 COMMISSIONER COX: So I move that we remove
20 Carswell Air Force Reserve from any further consideration.
21 COMMISSIONER DAVIS: I second that motion.
22 CHAIRMAN DIXON: Okay. Moved by Commissioner Cox

1 and seconded by Commissioner Davis that Carswell, which is an
2 add-on --
3 COMMISSIONER COX: Right.
4 CHAIRMAN DIXON: But just to clarify the record --
5 COMMISSIONER COX: Just to clarify.
6 CHAIRMAN DIXON: -- I think it's a good idea, be
7 removed from the list. Is there any further comment?
8 (No response.)
9 CHAIRMAN DIXON: Counsel, call the roll.
10 MS. CREEDON: Commissioner Cox?
11 COMMISSIONER COX: Aye.
12 MS. CREEDON: Commissioner Davis?
13 COMMISSIONER DAVIS: Aye.
14 MS. CREEDON: Commissioner Kling?
15 COMMISSIONER KLING: Aye.
16 MS. CREEDON: Commissioner Montoya?
17 COMMISSIONER MONTOYA: Aye.
18 MS. CREEDON: Commissioner Robles?
19 COMMISSIONER ROBLES: Aye.
20 MS. CREEDON: Commissioner Steele?
21 COMMISSIONER STEELE: Aye.
22 MS. CREEDON: Commissioner Cornella?

1 COMMISSIONER CORNELLA: Aye.

2 MS. CREEDON: Mr. Chairman?

3 CHAIRMAN DIXON: Aye.

4 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and

5 0 nays.

6 CHAIRMAN DIXON: Commissioner Cox, thanks for a

7 good idea. We've clarified that Carswell is not any longer

8 on the list, and Carswell remains open, having been placed on

9 as an add-on. Commissioner Steele.

10 M O T I O N

11 COMMISSIONER STEELE: I would like to make a motion

12 regarding Bergstrom. I move the Commission find --

13 CHAIRMAN DIXON: Wait just a minute, will you,

14 Commissioner Steele?

15 COMMISSIONER STEELE: Sure.

16 CHAIRMAN DIXON: I'm getting advice of counsel

17 before I get in trouble.

18 COMMISSIONER STEELE: All right.

19 CHAIRMAN DIXON: Okay. Commissioner Steele, if you

20 would please indulge the Chair, I think Commissioner Davis'

21 position is in order. He would like to have a briefing on

22 Homestead before we go further. Would you mind doing that?

1 COMMISSIONER STEELE: That's not only appropriate,
2 it's fair, and it's a great idea.
3 CHAIRMAN DIXON: You're very kind, and now we are
4 going to brief on Homestead.
5 LIEUTENANT COLONEL BEYER: I draw your attention to
6 charts D-12 and D-13 on Homestead. The first issue is the
7 issue of Reserve F-16 force structure reductions, and the
8 staff finds that the draw-down in and of itself does not
9 require a base closure, and the closure of Bergstrom is a
10 cost, not a draw-down issue.
11 In regards to the issue of total base closure, as
12 stated previously, DOD states the recommendation to
13 deactivate the 924th Fighter Wing at Bergstrom allows the Air
14 Force to achieve more savings.
15 The community at Homestead argues the '93
16 Commission directed the return of both 301st Rescue Squadron
17 and the 482nd Fighter Wing to Homestead because of the
18 military value of the base, the recruiting value of Dade
19 County and the economic impact to the community after the
20 devastation of the hurricane.
21 Staff finds deactivation of the 842nd Fighter Wing
22 allows a complete closure. The Bergstrom closure, however,

1 is more cost-effective.

2 Next, the issue of commitments. We've discussed

3 that, I believe, already including the commitment of the Dade

4 County --

5 COMMISSIONER KLING: Excuse me. You know, at the

6 bottom of D-7, and I'm sure you got that there, it says,

7 "Airport development involves no detrimental reliance on Air

8 Force commitment."

9 LIEUTENANT COLONEL BEYER: What I'm referring to

10 there is the fact that the city was proceeding a pace with

11 the development of Bergstrom as its airport whether or not

12 the reserve was there.

13 COMMISSIONER KLING: So you're saying to me that

14 even if we -- if we close down Bergstrom, the airport is

15 going forward, no other effects to it? It's not going to

16 cost them anything anymore? Everything is --

17 LIEUTENANT COLONEL BEYER: To be absolutely fair,

18 the city is saving money by going to Bergstrom compared to

19 developing an airport somewhere else. Also, they have spent

20 some money to accommodate the reserve cantonment location.

21 For example, a second runway is being constructed. The

22 distance from the first runway is sufficient to cover the

1 area of the cantonment. If that cantonment was there, the
2 runways would be closer together.
3 However, another aspect of that is to allow
4 simultaneous departure and arrival operations, the FAA
5 requires a certain separation of runways. To allow
6 intercontinental range aircraft to land at Austin, you need
7 certain length of runways. So it could be argued that the
8 city was going to be spending the money anyway.
9 COMMISSIONER COX: Does it require that --
10 CHAIRMAN DIXON: Commissioner Cox.
11 COMMISSIONER COX: -- amount of room between the
12 two runways, Colonel Beyer, on the commercial airport?
13 LIEUTENANT COLONEL BEYER: It does not require the
14 amount of room that is being used to accommodate the
15 cantonment area. There is a greater distance to accommodate
16 the cantonment area.
17 COMMISSIONER COX: Thank you. And is it not true
18 that in 1991 before Carswell was closed and before the first
19 BRAC indicated that the reserve would stay there if in fact
20 they met the June 1993 date that Austin was, in fact,
21 building another airport elsewhere and had already started
22 the money and the planning for that, and so the move to

1 Bergstrom was, perhaps, not in detrimental reliance but
2 certainly as a cause, approximately cause, from the closure
3 of Carswell and following an agreement that if they move
4 forward on that airport by 1993 that they would have a
5 reserve?
6 LIEUTENANT COLONEL BEYER: You mean the closure of
7 Bergstrom Air Force Base?
8 COMMISSIONER COX: Right, in 1991, when the
9 commitment was first made by BRAC that the Reserves would
10 stay there if in fact the -- if that by June 1993 they had
11 passed the referendum to do so.
12 LIEUTENANT COLONEL BEYER: The city did change its
13 plans because the '91 Commission did close Bergstrom Air
14 Force Base. That is correct.
15 COMMISSIONER COX: Thank you.
16 COMMISSIONER DAVIS: Mr. Chairman, could we return
17 to Homestead one of these days?
18 CHAIRMAN DIXON: Commissioner Davis, I'm delighted
19 to do it. How about returning to Homestead.
20 LIEUTENANT COLONEL BEYER: I'm not on Chart D-13.
21 The issue is strategic location. The strategic location of
22 Homestead has about used by SOUTHCOM and U.S. ACOM for

1 several contingency operations in the Caribbean and Latin
2 America.
3 The staff finds Homestead has high military value.
4 It was recognized by the '93 Commission as the primary reason
5 to retain the base. The final issue is range access.
6 The base has excellent access to valuable over-
7 water supersonic airspace and the Avon Park Air-to-Ground
8 Gunnery Range. Air Combat Command deploys its fighter units
9 frequently to the base to exploit the training value of this
10 airspace.
11 The community argues the unencroached land area and
12 strategic location of the base cannot be replicated by other
13 bases in Florida or the Gulf of Mexico. Staff agrees. Those
14 are the issues. Are there any questions on Homestead?
15 COMMISSIONER DAVIS: I have a question.
16 CHAIRMAN DIXON: Commissioner Davis.
17 COMMISSIONER DAVIS: Supersonic ranges. There are
18 some people believe that you just go fly out over the water
19 and go as fast as you want to go with no control whatsoever,
20 but supersonic ranges, first of all, are not that -- are they
21 that plentiful? Do they require control?
22 LIEUTENANT COLONEL BEYER: The loss of airspace is

1 a continuous problem for the Air Force, for the U.S.
2 military, and when we move out of an area there is a danger
3 that airways and other real estate encroachment, if it's on
4 the ground, will lead to the loss of value training airspace.
5 So Homestead does have access now to that airspace.
6 COMMISSIONER DAVIS: The $88 million that are
7 allocated by the federal government to Homestead, if we close
8 Homestead, will we save any of that money?
9 LIEUTENANT COLONEL BEYER: No. That is not DOD
10 money. According to the rules that we're operating under, we
11 cannot claim that as a BRAC savings. That was a commitment
12 by the Congress to the community to recover economically
13 after the hurricane.
14 If Homestead Air Reserve Base closes, that money
15 will be spent somewhere else at Homestead Municipal Airport,
16 but it will still be spent there.
17 COMMISSIONER DAVIS: The Air Force Air National
18 Guard maintains an alert detachment, and that is literally --
19 although Key West has some FA-18s, it's the only Air Force
20 alert detachment between Mr. Castro and Miami; is that
21 correct?
22 LIEUTENANT COLONEL BEYER: That's correct, sir.

1 COMMISSIONER DAVIS: Well, I would just tell my
2 colleagues a little bit of my impassioned speech earlier.
3 This is strategically a very important base. It's not a very
4 expensive base. The money is already committed. You can't
5 get it back if you want to.
6 Secondarily, Air Combat Command and the commander
7 himself has told us that he wants to maintain that as a
8 weapons training detachment because of its access to the
9 supersonic ranges and Avon Park, which is a very good range,
10 in Central Florida.
11 Secondarily, with the advent of additional
12 airplanes such as the F-22, we'll have more and more need for
13 supersonic airspace because they cruise at supersonic speeds.
14 Mr. Chairman, I do thank you for finally getting Homestead up
15 on the docket.
16 CHAIRMAN DIXON: Commissioner Davis, it has been my
17 great pleasure and honor to be accommodating to you, sir.
18 Commissioner Kling, what can I do for you?
19 COMMISSIONER KLING: Might as well stay on
20 Homestead.
21 CHAIRMAN DIXON: Well, fine. You go right ahead.
22 COMMISSIONER KLING: The 301st was going to move

1 back to Homestead, right?

2 LIEUTENANT COLONEL BEYER: That's correct.

3 COMMISSIONER KLING: Now they're not going to move

4 to Homestead?

5 LIEUTENANT COLONEL BEYER: That is your --

6 COMMISSIONER KLING: The Air Force is recommending

7 they do not?

8 MR. CIRILLO: That's the recommendation of the

9 Secretary of Defense.

10 COMMISSIONER KLING: Yes.

11 MR. CIRILLO: That they not move back. We'll

12 address that right after this.

13 COMMISSIONER KLING: Yes. I understand. So

14 otherwise, part of the use of Homestead is now not going to

15 take place?

16 MR. CIRILLO: That's correct.

17 COMMISSIONER KLING: That was going to be there

18 before?

19 MR. CIRILLO: That's correct.

20 COMMISSIONER KLING: Which does affect some of the

21 costs of operating there, I have to assume, if you have less

22 operations there.

1 MR. CIRILLO: Yes, sir. That's correct.

2 COMMISSIONER COX: I have some questions on

3 Homestead, too. If we would move to close -- move the

4 reserve, close the reserve unit at Homestead, does that mean

5 we would be closing the supersonic range?

6 LIEUTENANT COLONEL BEYER: That's hard to tell any

7 time you close a base. I can't predict the outcome of that.

8 COMMISSIONER DAVIS: If I may answer your question?

9 CHAIRMAN DIXON: Commissioner Davis.

10 COMMISSIONER DAVIS: You can make other

11 arrangements for the supersonic range. Normally, he who

12 schedules it, manages it, needs to be very close to it.

13 COMMISSIONER COX: But we would continue to

14 schedule and manage it whether or not there was a reserve

15 unit at Homestead?

16 COMMISSIONER DAVIS: Yes.

17 MR. CIRILLO: I think McDill manages it right now.

18 COMMISSIONER COX: McDill manages it? And would

19 that change if we move the unit at Homestead?

20 MR. CIRILLO: It would not.

21 LIEUTENANT COLONEL BEYER: It would be a matter of

22 how much use the airspace receives, and if it's not being

1 utilized, the FAA would recognize that and as part of their
2 normal process of reconfiguring the airspace --
3 COMMISSIONER COX: Has the FAA indicated that
4 they'd like to take over that airspace? Have they indicated
5 an interest?
6 MR. CIRILLO: I'm not aware of that.
7 COMMISSIONER COX: Thank you.
8 MR. CIRILLO: I'm not aware of any such indication
9 of that. The airspace is being used. It's being managed.
10 COMMISSIONER COX: Thank you.
11 COMMISSIONER STEELE: May I follow-up on the exact
12 same point? Does BRAC have any authority to allow the
13 Department to retain use of that airspace? I don't know if
14 we have any legal authority to do that, if this is an open
15 question or not, and it's something we're concerned about. I
16 took a step here, a hypothetical step.
17 LIEUTENANT COLONEL BEYER: I'd refer that to
18 counsel.
19 MS. CREEDON: There is no requirement to get rid of
20 it. The Air Force has the ability to retain it if they
21 desire. Closure of the base does not equate to closure of
22 the range. It is an asset that the Air Force can do with as

1 they wish.

2 COMMISSIONER STEELE: Okay. Thank you for

3 clarifying that.

4 CHAIRMAN DIXON: May I ask my colleagues something

5 on this debate? I don't know if we've gotten to the point

6 where we're ready to vote yet, but could I respectfully ask

7 my friend Commissioner Davis whether it might not be somewhat

8 helpful to first determine whether we're going to redirect,

9 as requested, with respect to the planes at Patrick?

10 COMMISSIONER DAVIS: The rescue detachment, sir?

11 CHAIRMAN DIXON: I wonder if we ought to resolve

12 that first. I'm not trying to force that upon anybody, but

13 it occurs to me that at least for this person, and I can only

14 speak for one commissioner, it would help me a little bit to

15 resolve what I ultimately need to.

16 COMMISSIONER DAVIS: Let's say, for instance, we

17 rejected the redirect and made the rescue detachment stay at

18 Homestead. Then, you would find yourself in a position to

19 have to do it again. I don't think there is anything wrong

20 with your approach. We'll just have to pursue it, if for

21 some reason, the Homestead closes -- or doesn't close.

22 COMMISSIONER COX: If we did reject the redirect,

1 that would make it -- we would be, obviously, less interested
2 in closing Homestead.
3 CHAIRMAN DIXON: Well, now, let's see. If we
4 reject the redirect on Patrick, in effect, the '93 order
5 would be invoked, and that would ultimately --
6 COMMISSIONER COX: And that unit would be
7 Homestead.
8 CHAIRMAN DIXON: -- put more at Homestead.
9 COMMISSIONER COX: Exactly.
10 COMMISSIONER DAVIS: Sir, I didn't know we were
11 going to talk about that, but only 25 percent of their
12 business is up at Patrick Air Force Base. The other 75
13 percent is training down in the southern tip of Florida.
14 CHAIRMAN DIXON: Well, I don't care which way we do
15 it. I'd just like to find out if we're ready -- I don't mind
16 talking some more. Does somebody want to ask anymore
17 questions or make a speech? I like the speeches. They're
18 very entertaining, and I've been richly rewarded by them.
19 COMMISSIONER STEELE: Just so you don't forget that
20 I have a Bergstrom motion lurking out here, that's all. We
21 can continue as long as we need to.
22 CHAIRMAN DIXON: Okay. Now, somebody's got to do

1 something around here. I'm just trying to find a way to --
2 COMMISSIONER COX: Should we follow-up on the
3 Chairman's suggestion? Because I really don't know the
4 issues on the redirect, and I would be interested in whether
5 or not that makes sense to redirect them out of Homestead.
6 We put them in there in 1993. I understand they want to go
7 to Patrick, but that's about all I know.
8 CHAIRMAN DIXON: Well, the assets are at Patrick
9 because of the hurricane, right?
10 MR. CIRILLO: That's correct.
11 CHAIRMAN DIXON: And if we don't redirect, I
12 thought those assets went back to Homestead.
13 MR. CIRILLO: That's correct.
14 CHAIRMAN DIXON: Thus putting more assets at
15 Homestead.
16 MR. CIRILLO: That's correct.
17 CHAIRMAN DIXON: So the question is shall we
18 redirect and follow the recommendations of Secretary of
19 Defense and redirect and keep the assets at Patrick?
20 MR. CIRILLO: Correct.
21 CHAIRMAN DIXON: So why don't we find that out?
22 MR. CIRILLO: I agree.

1 CHAIRMAN DIXON: Now, I don't care if we find it
2 out, but sometime we're going to have to vote on it.
3 LIEUTENANT COLONEL BEYER: We'll put up D-17 and D-
4 18, and if you wish to, we could look at that redirect.
5 CHAIRMAN DIXON: Oh, that's great. Let's do that.
6 LIEUTENANT COLONEL BEYER: This is the first of two
7 redirects regarding Homestead. The first concerns the 301st
8 Rescue Squadron currently at Patrick. The '93 Commission
9 recommended the 301st return to Homestead once its facilities
10 are rebuilt.
11 The unit evacuated from Homestead to Patrick after
12 the base was destroyed in August '92 by Hurricane Andrew.
13 The Secretary of Defense's recommendation is to relocate the
14 301st to Patrick Air Force Base, its current temporary
15 location.
16 Chart D-18 summarizes the criteria to consider for
17 this recommendation. I should point out that the unit is
18 comprised of both recuse helicopters and specially configured
19 air refueling C-130s. The personnel eliminated and the
20 economic impact numbers are for the Homestead, not the
21 Patrick, community. I'm prepared to discuss the relevant
22 issues. If there aren't any questions, please turn to slide

1 D-19.

2 CHAIRMAN DIXON: Well, let's stop there just a

3 minute before you turn. Now, that has to do with the assets

4 at Patrick that went there because of the hurricane from

5 Homestead?

6 LIEUTENANT COLONEL BEYER: That's correct.

7 CHAIRMAN DIXON: And the Secretary of Air has

8 recommended the Secretary of Defense recommend to the

9 Commission that we redirect and change the '93 and keep those

10 assets at Homestead. Thus, that asset would not -- I mean at

11 Patrick. This it would not go to Homestead if we follow the

12 Secretary of Defense. Is that substantially --

13 LIEUTENANT COLONEL BEYER: That's correct.

14 CHAIRMAN DIXON: Okay. Now what are you going to

15 look at next here now?

16 LIEUTENANT COLONEL BEYER: We're going to look at

17 the issues relevant to this redirect.

18 CHAIRMAN DIXON: Okay. Good.

19 LIEUTENANT COLONEL BEYER: On the one chart, D-19.

20 The first issue is recruiting. DOD states the Central

21 Florida area can adequately support unit recruiting

22 requirements. The Homestead community argues that it also

1 can support recruiting. Staff finds that both areas are
2 satisfactory.
3 Regarding costs, the Homestead community argues DOD
4 has exaggerated the TDY costs in the COBRA and understated
5 the military construction costs if the two active duty units
6 currently occupying the 301st facilities at Patrick do not
7 depart as planned, the facility earmarked for the 301st, I
8 should say.
9 Staff finds there are no cost avoidance savings by
10 not returning the unit to Homestead, but the active duty
11 units at Patrick are not likely to remain there. They are
12 going to -- they are planned to move. DOD military
13 construction estimates are accurate.
14 Regarding the impact on Homestead, this redirect,
15 the community argues, will reduce the Air Force contribution
16 to operating the airfield. The staff finds that with the
17 482nd Fighter Wing and the Florida Air National Guard Alert
18 Detachment and other federal agencies that are in the process
19 of moving back to Homestead, for example, the Customs
20 Service, the airfield will remain viable without the 301st.
21 On the mission issue, DOD has assigned a space
22 shuttle support mission to the 301st Rescue Squadron as its

1 primary peacetime tasking while retaining its combat rescue
2 mission. This was an issue in '93 as well.
3 The space shuttle support mission is an ideal
4 mission for the Reserves, but more importantly it allows ACC
5 to free the active duty rescue unit at Patrick for combat
6 rescue tasking.
7 The Homestead community argues that the space
8 shuttle support mission accounts for only 5 percent of the
9 301st Rescue Squadron's flying time and can be adequately
10 supported at Homestead with a detachment at Patrick.
11 Staff finds the unit can support the shuttle
12 mission better at Patrick, particularly the helicopters, but
13 it can be supported at Homestead. The C-130s can be based at
14 either Patrick or Homestead. For combat search and rescue
15 readiness training, Patrick's proximity to the Avon Park
16 Gunnery Range is an advantage for the helicopters.
17 The point here is that one of the options the
18 Commission might entertain is to create a detachment
19 situation for the unit, either place it at Homestead or
20 Patrick with a detachment at the other for the helicopters.
21 On the last issue, the '93 Commission commitment to Dade
22 County, we've pretty much discussed this already.

1 COMMISSIONER DAVIS: Mr. Chairman, the helicopters
2 can operate either place.
3 CHAIRMAN DIXON: Yes, of course.
4 COMMISSIONER DAVIS: If that helps you.
5 MR. CIRILLO: I do want to make one correction for
6 the record on the airspace just handed me by Mr. Flippen, our
7 FAA representative. He pointed out that the warning areas,
8 the supersonic warning areas, one is controlled by Eglin,
9 another by Key West. The range, the Avon Park range, is the
10 one controlled by McDill. So I did want to point that out
11 for the record.
12 CHAIRMAN DIXON: All right.
13 LIEUTENANT COLONEL BEYER: If you'll turn now to
14 slide D-20, this chart will provide you the scenario summary
15 for the redirect. That concludes my presentation for this.
16 CHAIRMAN DIXON: Thank you, Certainly Beyer.
17 What's the pleasure -- any Commissioner have any questions or
18 statements?
19 COMMISSIONER STEELE: I have a suggestion.
20 CHAIRMAN DIXON: Commissioner Steele.
21 COMMISSIONER STEELE: Even though my Bergstrom
22 motion is in order, I would be delighted to immediately

1 follow a motion on this particular issue should my colleagues
2 wish to do so.
3 CHAIRMAN DIXON: I didn't know we had a Bergstrom
4 motion pending. Do we?
5 COMMISSIONER STEELE: Way, like, 45 minutes ago
6 or --
7 CHAIRMAN DIXON: Well, I apologize to my friend.
8 COMMISSIONER STEELE: No, no. That's okay.
9 CHAIRMAN DIXON: Have you made such a motion?
10 COMMISSIONER STEELE: No. I was just to start, and
11 then we moved into --
12 CHAIRMAN DIXON: Oh, you're ready to make such a
13 motion? You're ready to make a Bergstrom motion?
14 COMMISSIONER STEELE: Right. And that was the
15 plan, but I would be glad to wait, if we want to address this
16 issue --
17 CHAIRMAN DIXON: Oh, I remember now. You withheld
18 it to accommodate Commissioner Davis. All right. I've
19 caught up again.
20 COMMISSIONER CORNELLA: Mr. Chairman, I have a
21 motion.
22 CHAIRMAN DIXON: Well, now, before you do that,

1 Commissioner Cornella, don't put me on the spot here.
2 Commissioner Steele withheld doing a motion to accommodate
3 Commissioner Davis, and I feel a little reluctant to
4 recognize someone for a motion before her if my friend has
5 concluded his remarks.
6 COMMISSIONER DAVIS: I have, but I think
7 Commissioner Steele will yield to --
8 COMMISSIONER STEELE: A motion on this issue only.
9 CHAIRMAN DIXON: Will you yield to Commissioner
10 Cornella?
11 COMMISSIONER STEELE: If it's a motion or this
12 issue.
13 COMMISSIONER CORNELLA: It is.
14 CHAIRMAN DIXON: It is. Very well done.
15 Commissioner Cornella.
16 COMMISSIONER CORNELLA: I'm afraid if we take one
17 more step away from Bergstrom we'll be dealing Howard Air
18 Force Base from Panama. So I'm going to make a motion.
19 CHAIRMAN DIXON: Well, we've wandered around a
20 little here. Commissioner Cornella.
21 COMMISSIONER CORNELLA: This is a motion on the
22 redirect.

1 CHAIRMAN DIXON: Okay.

2 M O T I O N

3 COMMISSIONER CORNELLA: I move the Commission find
4 the Secretary of Defense did not deviate substantially from
5 the Final Criteria and Force Structure Plan and therefore the
6 Commission adopt the following recommendation of the
7 Secretary of Defense:

8 Change the recommendation of the 1993 Commission
9 regarding Homestead Air Force Base as follows: Redirect the
10 301st Rescue Squadron with its associated aircraft to
11 relocate to Patrick Air Force Base, Florida.

12 CHAIRMAN DIXON: Is there a second to the motion by
13 Commissioner Cornella?

14 COMMISSIONER KLING: I second that.

15 CHAIRMAN DIXON: And that motion is seconded by
16 Commissioner Kling. Now, are there any more comments or
17 questions?

18 (No response.)

19 CHAIRMAN DIXON: Then counsel will call the roll on
20 the motion by Commissioner Cornella to redirect on Homestead
21 to Patrick.

22 MS. CREEDON: Commissioner Cornella?

1 COMMISSIONER CORNELLA: Aye.

2 MS. CREEDON: Commissioner Cox?

3 COMMISSIONER COX: Aye.

4 MS. CREEDON: Commissioner Davis?

5 COMMISSIONER DAVIS: Aye.

6 MS. CREEDON: Commissioner Kling?

7 COMMISSIONER KLING: Aye.

8 MS. CREEDON: Commissioner Montoya?

9 COMMISSIONER MONTOYA: Aye.

10 MS. CREEDON: Commissioner Robles?

11 COMMISSIONER ROBLES: Aye.

12 MS. CREEDON: Commissioner Steele?

13 COMMISSIONER STEELE: Aye.

14 MS. CREEDON: Mr. Chairman?

15 CHAIRMAN DIXON: Aye.

16 MS. CREEDON: Mr. Chairman, the vote is 8 eyes and

17 0 nays.

18 CHAIRMAN DIXON: The Commission unanimously votes

19 to redirect in accordance with the Secretary of Defense's

20 recommendations.

21 LIEUTENANT COLONEL BEYER: At this time it might be

22 appropriate to go to slides D-15 and D-16, the scenario

1 summary for the Reserve F-16 issue.

2 CHAIRMAN DIXON: D-16.

3 LIEUTENANT COLONEL BEYER: D-15 and 16.

4 CHAIRMAN DIXON: D-15 and 16.

5 MR. CIRILLO: And at this time only the DOD

6 recommendation and Alternative 2 are up for discussion.

7 CHAIRMAN DIXON: Okay.

8 COMMISSIONER STEELE: Okay. Is the ball back in my

9 court at this moment? Mr. Chairman, are we back on this?

10 CHAIRMAN DIXON: Commissioner Steele.

11 COMMISSIONER STEELE: All right. And I preface

12 this motion with my making it has no reflection on Homestead.

13 I feel that commitments were made to the Bergstrom community.

14 If they get to keep an F-16 unit, that's fine. If the

15 Department has to turn that into another type of unit, that's

16 fine.

17 M O T I O N

18 COMMISSIONER STEELE: That said, the move the

19 Commission find the Secretary of Defense deviated

20 substantially from Final Criteria 1 and therefore the

21 Commission reject the Secretary's recommendation on Bergstrom

22 Air Force Base Texas and instead adopt the following

1 recommendation:

2 Keep Bergstrom Air Force Base open, including the

3 924th Fighter Wing and all base activities and facilities.

4 The Commission finds this recommendation is consistent with

5 the Force Structure Plan and Final Criteria.

6 CHAIRMAN DIXON: You've heard the Commissioner's

7 motion. Is there a second to the Commissioner's motion?

8 COMMISSIONER COX: Second.

9 CHAIRMAN DIXON: It's moved by Commissioner Steele

10 and seconded by Commissioner Cox that the Commission reject

11 the recommendation of the Secretary of Defense on Bergstrom.

12 Are there any further comments?

13 (No response.)

14 CHAIRMAN DIXON: Counsel will call the roll.

15 MS. CREEDON: Commissioner Steele.

16 COMMISSIONER STEELE: Aye.

17 MS. CREEDON: Commissioner Cornella?

18 COMMISSIONER CORNELLA: No.

19 MS. CREEDON: Commissioner Cox?

20 COMMISSIONER COX: Aye.

21 MS. CREEDON: Commissioner Davis?

22 COMMISSIONER DAVIS: No.

1 MS. CREEDON: Commissioner Kling?

2 COMMISSIONER KLING: Aye.

3 MS. CREEDON: Commissioner Montoya?

4 COMMISSIONER MONTOYA: No.

5 MS. CREEDON: Commissioner Robles?

6 COMMISSIONER ROBLES: Aye.

7 MS. CREEDON: Mr. Chairman?

8 CHAIRMAN DIXON: No.

9 MS. CREEDON: Mr. Chairman, the votes are 4 ayes

10 and 4 nays.

11 CHAIRMAN DIXON: All right. 4 ayes, 4 nays.

12 Secretary of Defense wins. The motion fails. The

13 recommendation of the Secretary of Defense, the presumption

14 carries in favor of the Secretary of Defense. All right.

15 Counsel tells me I need another motion here.

16 COMMISSIONER DAVIS: I have a motion, Mr. Chairman.

17 CHAIRMAN DIXON: Commissioner Davis.

18 M O T I O N

19 COMMISSIONER DAVIS: I move the Commission find the

20 Secretary of Defense did not deviate substantially from the

21 Final Criteria and Force Structure, and therefore the

22 Commission adopt the following recommendation of the

1 Secretary of Defense:

2 Close Bergstrom Air Reserve Base. The 924th

3 Fighter Wing AFEWES will inactivate. The Wing's F-16

4 aircraft will be redistributed or retire. Headquarters 10th

5 Air Force AFEWES will relocate to Naval Air Station Fort

6 Worth Joint Reserve Base Texas.

7 CHAIRMAN DIXON: Is there a second to the motion by

8 Commissioner Davis?

9 COMMISSIONER CORNELLA: Second.

10 CHAIRMAN DIXON: Seconded by Commissioner Cornella.

11 Is there any comment or any questions by any Commissioner?

12 COMMISSIONER KLING: I have to assume we're voting

13 on the complete reverse of what we just voted on.

14 CHAIRMAN DIXON: Commissioner Kling, your

15 astuteness is beyond debate. Is there any further comment by

16 anybody?

17 COMMISSIONER STEELE: Mr. Chairman, I'm sorry.

18 CHAIRMAN DIXON: Commissioner Steele.

19 COMMISSIONER STEELE: Mine is not at this moment,

20 because I was looking at the wrong motion in front of me and

21 noticed halfway through. Could we please repeat that motion?

22 I apologize. Could we just read it one more time?

1 CHAIRMAN DIXON: The motion of Commissioner Davis?

2 COMMISSIONER STEELE: Yes, please.

3 CHAIRMAN DIXON: Commissioner Davis, would you

4 please read your motion again?

5 COMMISSIONER DAVIS: I'd be happy to, sir. I move

6 the Commission find the Secretary of Defense did not deviate

7 substantially from the Final Criteria and Force Structure and

8 therefore the Commission adopt the following recommendation

9 of the Secretary of Defense:

10 Close Bergstrom Air Reserve Base. The 924th

11 Fighter Wing AFEWES will inactivate. The Wing's F-16

12 aircraft will be redistributed or retire. Headquarters 10th

13 Air Force AFEWES will relocate to Naval Air Station Fort

14 Worth Joint Reserve Base Texas.

15 CHAIRMAN DIXON: I thank you, Commissioner Davis,

16 and that motion is seconded by Commissioner Cornella. Are

17 there any further comments or questions?

18 (No response.)

19 CHAIRMAN DIXON: Counsel will call the roll.

20 MS. CREEDON: Commissioner Davis.

21 COMMISSIONER DAVIS: Aye.

22 MS. CREEDON: Commissioner Kling?

1 COMMISSIONER KLING: No.

2 MS. CREEDON: Commissioner Montoya?

3 COMMISSIONER MONTOYA: Aye.

4 MS. CREEDON: Commissioner Robles?

5 COMMISSIONER ROBLES: No.

6 MS. CREEDON: Commissioner Steele?

7 COMMISSIONER STEELE: No.

8 MS. CREEDON: Commissioner Cornella?

9 COMMISSIONER CORNELLA: Aye.

10 MS. CREEDON: Commissioner Cox?

11 COMMISSIONER COX: No.

12 MS. CREEDON: Mr. Chairman?

13 CHAIRMAN DIXON: Aye.

14 MS. CREEDON: Mr. Chairman, the vote is 4 ayes and

15 4 nays.

16 CHAIRMAN DIXON: And the vote is tied, and the

17 Secretary of Defense's recommendation, having the blessing of

18 the presumption, prevails.

19 MR. CIRILLO: If you turn to D-21, Lieutenant

20 Colonel Beyer will occur the next one.

21 CHAIRMAN DIXON: It is clear, I think, that

22 Bergstrom, therefore, is closed in accordance with the

1 recommendation of the Secretary of Defense. I wonder whether
2 everybody understands the little nuances here.
3 Now where are we now, Mr. Cirillo? All right.
4 Now, let's see now, we've acted on Bergstrom. We've acted on
5 Carswell. We've acted on the redirect on the 301st.
6 Now, I don't want to presume anything here. I can
7 go to the other redirect, or I can go to Homestead. What's
8 the pleasure of my colleagues?
9 LIEUTENANT COLONEL BEYER: Do the redirect, sir,
10 and then if there's a --
11 CHAIRMAN DIXON: All right. Then, let's do the
12 redirect. Is there a motion on Homestead on -- I mean, on
13 the redirect on the 726th?
14 COMMISSIONER CORNELLA: Yes. I've got one.
15 CHAIRMAN DIXON: Commissioner Cornella.
16 M O T I O N
17 COMMISSIONER CORNELLA: I move the Commission find
18 the Secretary of Defense did not deviate substantially from
19 the Final Criteria and Force Structure Plan and therefore the
20 Commission adopt the following recommendation of the
21 Secretary of Defense:
22 Change the recommendation of the 1993 Commission

1 regarding the relocation of the 726th Air Control Squadron
2 from Homestead Air Force Base to Shaw Air Force Base South
3 Carolina as follows: Redirect the 726th ACS to Mountain Home
4 Air Force Base Idaho.
5 CHAIRMAN DIXON: You've heard the motion by the
6 Commissioner. Is there a second to the motion by
7 Commissioner Cornella?
8 COMMISSIONER KLING: Second the motion.
9 CHAIRMAN DIXON: Commissioner Cornella's motion is
10 seconded by Commissioner Kling. Are there any further
11 comments?
12 (No response.)
13 CHAIRMAN DIXON: Are there any questions?
14 (No response.)
15 CHAIRMAN DIXON: Counsel will call the roll.
16 MS. CREEDON: Commissioner Cornella?
17 COMMISSIONER CORNELLA: Aye.
18 MS. CREEDON: Commissioner Cox?
19 COMMISSIONER COX: Aye.
20 MS. CREEDON: Commissioner Davis?
21 COMMISSIONER DAVIS: Aye.
22 MS. CREEDON: Commissioner Kling?

1 COMMISSIONER KLING: Aye.

2 MS. CREEDON: Commissioner Montoya?

3 COMMISSIONER MONTOYA: Aye.

4 MS. CREEDON: Commissioner Robles?

5 COMMISSIONER ROBLES: Aye.

6 MS. CREEDON: Commissioner Steele?

7 COMMISSIONER STEELE: Aye.

8 MS. CREEDON: Mr. Chairman?

9 CHAIRMAN DIXON: Aye.

10 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and

11 no nays.

12 CHAIRMAN DIXON: And the redirect is approved.

13 Now, Commissioners, we have left Homestead. Homestead is an

14 add-on. If there is a motion, it requires five votes to

15 close. If there is no motion, the Chair makes a declaration.

16 I await the pleasure of my colleagues. Is there a motion on

17 Homestead?

18 (No response.)

19 CHAIRMAN DIXON: Chair declares Homestead open.

20 Air Force Reserve C-130s.

21 MR. CIRILLO: Mr. DiCamillo will cover that.

22 MR. DiCAMILLO: May I have slide E-3, please? Sir,

1 the slide I have just called for reflects the Air Force's
2 concern for closing more than one C-130 Air Force Reserve
3 installation, much the same as Colonel Beyer addressed in his
4 opening remarks on the F-16s.
5 CHAIRMAN DIXON: Pardon me, Mr. DiCamillo. Folks,
6 I appreciate from time to time there is a little enjoy some
7 sometimes some sadness, but would you file out as kindly as
8 you can? Thank you very kindly. Mr. DiCamillo.
9 MR. DiCAMILLO: Yes, sir. I'd also like to note
10 that the Secretary of the Air Force has come on record to the
11 Commission supporting O'Hare installation, O'Hare
12 International Airport Air Reserve Station as a substitute for
13 the closure or an alternative for the closure of Pittsburgh.
14 Slide E-4, please. Commissioners, this chart lists
15 the bases which are presented in this briefing. The Air
16 Force recommendation was to close Pittsburgh Air Reserve
17 Station and redistrict its C-130 assets. During the
18 Commission adds on May 10th, the other five bases were added
19 to the list.
20 CHAIRMAN DIXON: May I interrupt you,
21 Mr. DiCamillo?
22 MR. DiCAMILLO: Yes, sir.

1 CHAIRMAN DIXON: The Chair has to recuse himself on
2 one of these questions, but I believe it was clear to
3 everybody that the Air Force is firm in its request that we
4 not honor its original request concerning Pittsburgh. Is
5 that correct, Mr. DiCamillo?
6 That is to say, the Air Force had originally put
7 Pittsburgh -- am I correct? Pittsburgh's on the list.
8 MR. DiCAMILLO: Pittsburgh's on the list, yes, sir.
9 CHAIRMAN DIXON: But they later sent us a letter,
10 have they not, saying they do not want Pittsburgh closed?
11 MR. DiCAMILLO: Mr. Kress, would you distribute the
12 June 9th letter?
13 CHAIRMAN DIXON: Well, I've seen it. Has every
14 Commissioner season that letter? Then I withdraw my -- I
15 thought every Commissioner understood that the Air Force now
16 has reversed itself and does not want to close Pittsburgh.
17 I'd hoped we could shorten that, but do you want to hear some
18 on that, then?
19 MR. DiCAMILLO: Sir, I think the letter just says
20 they would accept O'Hare as a substitute or alternative for
21 Pittsburgh.
22 MR. CIRILLO: Right. They've noted it as an

1 acceptable substitute.

2 CHAIRMAN DIXON: Okay. Well, what's the pleasure

3 of the Commission? Do you want to hear all the different

4 criteria?

5 MR. DiCAMILLO: I have the charts up on the --

6 COMMISSIONER KLING: What you're saying here is

7 that -- or what the Air Force is saying is that they would

8 like to substitute O'Hare in place of Pittsburgh. So why

9 don't we move on to look at --

10 MR. DiCAMILLO: Okay. Put up -- let me see, here.

11 counter if

12 MR. CIRILLO: Put up E-8 and E-9.

13 MR. DiCAMILLO: Right. E-8 and E-9, please. These

14 are the summary charts that show the pros and cons. We have

15 all six -- we have the DOD recommendation and the Commission

16 Alternatives 1 through 5.

17 CHAIRMAN DIXON: Permit me to interrupt you,

18 Mr. DiCamillo. The Chair has to recuse himself on one part

19 of the question, but I think that Commissioner Cornella has a

20 motion. What is the motion, Commissioner?

21 M O T I O N

22 COMMISSIONER CORNELLA: Mr. Chairman, I move the

1 Commission find the Secretary of Defense deviated
2 substantially from Final Criteria 4 and 5 and therefore the
3 Commission reject the Secretary's recommendation on Greater
4 Pittsburgh IAP Air Reserve Station Pennsylvania and instead
5 adopt the following recommendation:
6 Keep open Greater Pittsburgh IAP Air Reserve
7 Station Pennsylvania, including the 911th Airlift Wing and
8 its C-130 aircraft. The Commission finds this recommendation
9 is consistent with the Force Structure Plan and Final
10 Criteria.
11 CHAIRMAN DIXON: I thank you, Commissioner
12 Cornella. Is there a second to the motion of Commissioner
13 Cornella?
14 COMMISSIONER KLING: Second.
15 CHAIRMAN DIXON: It's seconded by Commissioner
16 Kling. Now, let me say to my colleagues I'm advised by
17 counsel that if view of the fact that I must recuse myself on
18 the base in my state, it is proper to recuse myself on this
19 vote as well, and the Chair will recuse himself. Are there
20 further comments on the questions concerning Pittsburgh or
21 any questions?
22 (No response.)

1 CHAIRMAN DIXON: Counsel, call the roll. This is
2 on a question to reject the Secretary of Defense's original
3 recommendation concerning Pittsburgh with the understanding
4 there is a letter says they want to keep Pittsburgh.
5 MS. CREEDON: Commissioner Cornella?
6 COMMISSIONER CORNELLA: Aye.
7 MS. CREEDON: Commissioner Cox?
8 COMMISSIONER COX: Aye.
9 MS. CREEDON: Commissioner Kling?
10 COMMISSIONER KLING: Aye.
11 MS. CREEDON: Commissioner Montoya?
12 COMMISSIONER MONTOYA: Aye.
13 MS. CREEDON: Commissioner Robles?
14 COMMISSIONER ROBLES: Aye.
15 MS. CREEDON: Commissioner Steele?
16 COMMISSIONER STEELE: Aye.
17 MS. CREEDON: And Mr. Chairman, you are recused?
18 CHAIRMAN DIXON: I have recused, and General Davis
19 is here.
20 MS. CREEDON: General Davis.
21 COMMISSIONER DAVIS: The motion is to reject?
22 CHAIRMAN DIXON: Yes.

1 COMMISSIONER DAVIS: I vote aye.

2 CHAIRMAN DIXON: Okay.

3 MS. CREEDON: Mr. Chairman, the vote, then, is 7

4 ayes and 0 nays.

5 CHAIRMAN DIXON: Okay. 7 ayes, 0 nays, and the

6 Chair recuses, and the Secretary of Defense's original

7 request is rejected in view of the Secretary of Defense's

8 modification of that and request that Pittsburgh remain open.

9 I think that's a fair summation. Pittsburgh is open.

10 COMMISSIONER CORNELLA: I have another motion, Mr.

11 Chairman?

12 CHAIRMAN DIXON: Commissioner Cornella.

13 M O T I O N

14 COMMISSIONER CORNELLA: I move the Commission find

15 the Secretary of Defense deviated substantially from Final

16 Criteria 1, 4 and 5 and therefore the Commission adopt the

17 following recommendation:

18 Modify the closure of O'Hare IAP Air Reserve

19 Station as recommended by the 1993 Defense Base Closure and

20 Realignment Commission by deactivating the 928th Airlift Wing

21 rather than relocating the unit and distribute its C-130

22 aircraft to Air Reserve C-130 units at Dobbins Air Reserve

1 Base Georgia and Peterson Air Force Base Colorado.

2 Or, as appropriate, close O'Hare IAP Air Reserve

3 Station Illinois, as proposed by the City of Chicago,

4 relocate the 126th Air Refueling Wing Air National Guard to

5 Scott Air Force Base Illinois and relocate the remaining

6 assigned Air National Guard units to locations acceptable to

7 the Secretary of the Air Force, provided the City of Chicago

8 can demonstrate that it has financing in place to cover the

9 full cost of replacing facilities except for FAA grants for

10 airport planning and development that would otherwise be

11 eligible for federal financial assistance to serve the needs

12 of civil aviation at the receiving location, environmental

13 impact analysis, moving and any added costs of environmental

14 cleanup resulting from higher standards or a faster schedule

15 than DOD would be obliged to meet if the base did not close

16 without any cost whatsoever to the federal government.

17 If the City of Chicago agrees to fund the full cost

18 of relocating the Army Reserve activity, such activity shall

19 also be relocated to a mutually acceptable site; otherwise,

20 it shall remain.

21 Extend the commencement of the closure from the

22 recommendation of the 1993 Commission to July 1996 with a

1 completion date no later than July 1999. If these conditions
2 are not met, the 126th Air Refueling Wing will remain at
3 O'Hare International Airport.
4 The Commission finds this recommendation is
5 consistent with Force Structure Plan and Final Criteria.
6 CHAIRMAN DIXON: Is there a second to the motion by
7 Commissioner Cornella?
8 COMMISSIONER DAVIS: Second.
9 CHAIRMAN DIXON: And it's seconded by Commissioner
10 Davis. Are there any further comments or questions?
11 (No response.)
12 CHAIRMAN DIXON: Counsel will call the roll.
13 MS. CREEDON: Commissioner Cornella?
14 COMMISSIONER CORNELLA: Aye.
15 MS. CREEDON: Commissioner Cox?
16 COMMISSIONER COX: Aye.
17 MS. CREEDON: Commissioner Davis?
18 COMMISSIONER DAVIS: Aye.
19 MS. CREEDON: Commissioner Kling?
20 COMMISSIONER KLING: Aye.
21 MS. CREEDON: Commissioner Montoya?
22 COMMISSIONER MONTOYA: Aye.

1 MS. CREEDON: Commissioner Robles?

2 COMMISSIONER ROBLES: Aye.

3 MS. CREEDON: Commissioner Steele?

4 COMMISSIONER STEELE: Aye.

5 MS. CREEDON: And Mr. Chairman, as you've

6 indicated, you are recused.

7 CHAIRMAN DIXON: The Chair recuses himself.

8 MS. CREEDON: So that the vote on this one, Mr.

9 Chairman, is 7 ayes and 0 nays.

10 CHAIRMAN DIXON: 7 ayes and 0 nays, and the motion

11 prevails, and O'Hare is closed subject to the conditions.

12 Now I inquire of my colleagues the Wisconsin -- General

13 Mitchell Wisconsin is an add-on; is that correct? It's an

14 add-on.

15 MR. CIRILLO: As is --

16 CHAIRMAN DIXON: Well, I'm going to do them one at

17 a time, if my colleagues will permit me. Now, is there

18 anything that has any desire to make a motion with respect to

19 this Wisconsin C-130 Air Reserve base? Is there anybody that

20 declares to make a motion or desires to make a motion about

21 this Wisconsin base?

22 (No response.)

1 CHAIRMAN DIXON: The Chair declares General
2 Mitchell IAP Wisconsin open. Now, Minneapolis-St.Paul.
3 Minneapolis-St.Paul, Minnesota, Air Force Reserve C-130 base
4 is an add-on. Are there any Commissioners here that have a
5 desire to make any kind of a motion with respect to this
6 Minnesota Air Reserve C-130 base?
7 (No response.)
8 CHAIRMAN DIXON: A couple of Commissioners are mad,
9 but they're not going to make a motion. All right. The
10 Chair declares Minneapolis-St.Paul open. Niagara Falls, New
11 York, is an add-on Air Force Reserve C-130 base. Is there
12 anyone here that cares to make a motion about Niagara Falls?
13 (No response.)
14 CHAIRMAN DIXON: The Chair declares Niagara Falls
15 open. Youngstown-Warren Ohio Air Force Reserve C-130 base is
16 an add-on. Is there any Commissioner that cares to make a
17 motion or make any statements regarding this Air Reserve
18 base?
19 (No response.)
20 CHAIRMAN DIXON: The Chair declares Youngstown-
21 Warren open. Air National Guard.
22 MR. CIRILLO: Mr. Chairman, this is the last full

1 category we'll discuss today. Chart F-1 on your left and the
2 map F-2 shows the five Secretary of Defense recommendations.
3 Note that like the Reserve category, the Air Force
4 did not tier the Air Force bases. Instead, their
5 recommendations were based on expected cost benefit
6 considerations. Mr. Craig Hall will do the presentation for
7 the Air Force team.
8 CHAIRMAN DIXON: Mr. Hall.
9 MR. HALL: Mr. Chairman, with your permission, I'd
10 like to make a few very brief points about this category in
11 general and how it was handled differently from other
12 categories and then go into each recommendation individually.
13
14 First chart, F-3. First, Air National Guard bases
15 were not evaluated against one another for closure. As units
16 maintain a relationship with their respective states,
17 relocating Guard units across state lines is not practical.
18 Further, recruiting needs of each unit have to be considered.
19 Consequently, the Air Force examined this category
20 solely for cost-effective relocations to other active Air
21 Reserve nearby installations.
22 Second, since these five Air National Guard

1 installations do not employ 300 or more civilians, they did
2 not complete data calls or questionnaires for the base
3 closure process. The Air Force also did not perform an
4 analysis of military value on these installations.
5 Consequently, relatively little information existed
6 on these installations for the Air Force's Base Closure
7 Executive Group to consider during its deliberations. Much
8 of the data needed to determine the cost-effectiveness of
9 these relocations was collected after base closure
10 recommendations were announced.
11 As a result, these recommendations were not as
12 cost-effective once more accurate costs and savings were
13 fully developed. I'd like to turn to each recommendation
14 individually.
15 Chart F-7. Under the DOD recommendation regarding
16 the closure of Moffett Federal Air Field Air Guard Station,
17 the unit would relocate to McClellan Air Force Base
18 California. Since this Commission moved earlier to close
19 McClellan Air Force Base, the DOD recommendation cannot be
20 implemented.
21 Given the cost associated with relocating the unit
22 to another Air Force Base, the Air Force recommends and the

1 Commission staff concur the Guard station and unit should
2 remain at Moffett Federal Airfield. Mr. Chairman, we'll now
3 entertain any questions you may have regarding this
4 recommendation.
5 COMMISSIONER COX: How about motions? Do you have
6 a question? COMMISSIONER KLING: Are you going to go on
7 through, or do you want to do them one at a time?
8 MR. HALL: One at a time, yes.
9 COMMISSIONER COX: Mr. Chairman?
10 CHAIRMAN DIXON: The Chair recognizes Commissioner
11 Cox.
12 COMMISSIONER COX: I'm prepared to do a motion if
13 there is no discussion.
14 CHAIRMAN DIXON: Yeah. Let's do that, but let me
15 make an announcement now. The Chair may be overreaching. If
16 any Commissioner feels I am, feel free to object.
17 We are within striking distance of finishing the
18 work regarding the Air Force. I would very much like to work
19 into the night sometime for a while on the Navy.
20 Now, I don't want to burden my colleagues beyond
21 what the brain and the bottom will endure, but if I could
22 indulge all of you and ask you to think about working until,

1 maybe, 8:30 or 9:00, could you live with that? We'll take a
2 little break along here or something. If there is an
3 objection, I'd want to hear it.
4 COMMISSIONER MONTOYA: Mr. Chairman, I couldn't.
5 Let me tell you why, Mr. Chairman. I've worked like a son of
6 a gun getting ready for today emotionally studying, and I
7 don't feel at this moment adequately studied for the Navy
8 where I feel I have a particular obligation to be fully ready
9 to go.
10 CHAIRMAN DIXON: All right.
11 COMMISSIONER MONTOYA: And I was looking forward to
12 having this evening to do that.
13 CHAIRMAN DIXON: Well, now, Commissioner, I
14 appreciate very much your honesty in saying that because our
15 obligation is to do this in the right way. I would not want
16 any Commissioner to go beyond what that Commissioner is
17 prepared to do today.
18 So your suggestion is you don't want to go any
19 further than the Air Force. Is that what you were saying,
20 sir?
21 COMMISSIONER MONTOYA: Yes, sir.
22 CHAIRMAN DIXON: Is there anybody else who shares

1 that feeling? One person having that view is enough for the
2 Chair.
3 COMMISSIONER ROBLES: I second that.
4 CHAIRMAN DIXON: I think, then, if my colleagues --
5 I'm sure we'd want to honor the view of any colleague.
6 That's fine. Then pardon me for interrupting you,
7 Commissioner.
8 COMMISSIONER MONTOYA: I would like to add I'm
9 prepared to go until it freezes over tomorrow night.
10 CHAIRMAN DIXON: Let's see how that goes tomorrow,
11 but I appreciate very much that suggestion. At least it
12 would appear that when we finish the Air Force tonight we're
13 going to conclude for the evening. Commissioner Cox.
14 COMMISSIONER STEELE: May I ask a question? I'm
15 sorry.
16 CHAIRMAN DIXON: Commissioner Steele.
17 COMMISSIONER STEELE: Just would it be a
18 possibility to do DLA tonight? I just offer that as a --
19 CHAIRMAN DIXON: Well, I got the sense that my
20 colleague, who had spent a lot of time in preparation and so
21 forth, felt that he wanted to have time to prepare for
22 tomorrow.

1 COMMISSIONER STEELE: Okay. I didn't know if that
2 was Navy specific.
3 CHAIRMAN DIXON: That's kind of you to inquire.
4 COMMISSIONER STEELE: Okay. All right. That's
5 fine.
6 COMMISSIONER MONTOYA: I think we need to be fair,
7 and I don't feel ready for any more after today.
8 CHAIRMAN DIXON: That's fine. I'm satisfied that's
9 the right thing to do. Commissioner Cox.
10 COMMISSIONER COX: I'm prepared to offer a motion
11 on Moffett, if we're at that point.
12 CHAIRMAN DIXON: Say it again.
13 COMMISSIONER COX: I'm prepared to offer a motion
14 on Moffett.
15 CHAIRMAN DIXON: Good. Do so.
16 M O T I O N
17 COMMISSIONER COX: I move, given the events of this
18 morning, the Commission find the Secretary of Defense
19 deviated substantially from Final Criterion 2 and therefore
20 the Commission reject the Secretary's recommendation --
21 excuse me, from Criteria 4 and 5 and therefore the
22 Commission --

1 CHAIRMAN DIXON: Wait a minute a minute, now. Why
2 don't we start this one over again. I lost track there.
3 Would you mind, Commissioner? There are a couple of these
4 going around here.
5 COMMISSIONER COX: There are. Let's start over. I
6 move the Commission find the Secretary of Defense deviated
7 substantially from Final Criteria 4 and 5 and therefore the
8 Commission reject the Secretary's recommendation on Moffett
9 Federal Airfield Air Guard Station California and instead
10 adopt the following recommendation:
11 Keep open Moffett Field Airfield Air Guard Station,
12 including the 129th Rescue Group and associated aircraft.
13 The Commission finds this recommendation is consistent with
14 the Force Structure Plan and Final Criteria.
15 COMMISSIONER CORNELLA: Seconded.
16 CHAIRMAN DIXON: Commissioner Cox makes the motion
17 seconded by Commissioner Cornella. As I understand it, if
18 the Chair may inquire, this is in view of prior actions of
19 this date with respect to McClellan?
20 COMMISSIONER COX: Exactly.
21 CHAIRMAN DIXON: Are there any further comments
22 about this?

1 (No response.)

2 CHAIRMAN DIXON: I think my Commissioner colleagues

3 would share the fact that that's the appropriate thing to do,

4 in view of what we did earlier today. Counsel, call the

5 roll.

6 MS. CREEDON: Commissioner Cox?

7 COMMISSIONER COX: Aye.

8 MS. CREEDON: Commissioner Davis?

9 COMMISSIONER DAVIS: Aye.

10 MS. CREEDON: Commissioner Kling?

11 COMMISSIONER KLING: Aye.

12 MS. CREEDON: Commissioner Montoya?

13 COMMISSIONER MONTOYA: Aye.

14 MS. CREEDON: Commissioner Robles?

15 COMMISSIONER ROBLES: Aye.

16 MS. CREEDON: Commissioner Steele?

17 COMMISSIONER STEELE: Aye.

18 MS. CREEDON: Commissioner Cornella?

19 COMMISSIONER CORNELLA: Aye.

20 MS. CREEDON: Mr. Chairman?

21 CHAIRMAN DIXON: Aye.

22 MS. CREEDON: Mr. Chairman, the vote are 8 ayes and

1 0 nays.

2 CHAIRMAN DIXON: And the motion is adopted, and

3 Moffett Federal Airfield Air Guard Station California remains

4 open. North Highlands.

5 MR. HALL: Chart F-9, please. Under the DOD

6 recommendation regarding the closure of North Highlands Air

7 Guard Station, the unit would relocate to McClellan Air Force

8 Base California. Since this Commission moved earlier to

9 close McClellan Air Force Base, the DOD recommendation cannot

10 be implemented.

11 Given the costs associated with relocating the unit

12 to another Air Force base, the Air Force recommends and

13 Commission staff concur the Guard station and unit should

14 remain at North Highlands. We're prepared to answer any

15 questions.

16 CHAIRMAN DIXON: I think none are necessary. Is

17 there a motion?

18 COMMISSIONER CORNELLA: I have a motion, sir.

19 CHAIRMAN DIXON: Motion by Commissioner Cornella.

20 M O T I O N

21 COMMISSIONER CORNELLA: I move the Commission find

22 the Secretary of Defense deviated substantially from Final

1 Criterion 2 and therefore the Commission reject the
2 Secretary's recommendation on North Highlands Air Guard
3 Station California and instead adopt the following
4 recommendation:
5 Keep open North Highlands Air Guard Station,
6 including the 162nd Combat Communications Group and the 149th
7 Combat Communications Squadron and associated aircraft. The
8 Commission finds this recommendation is consistent with the
9 Force Structure Plan and Final Criteria.
10 CHAIRMAN DIXON: And is there a second?
11 COMMISSIONER KLING: Second.
12 CHAIRMAN DIXON: Seconded by Commissioner Kling.
13 And again, this is in accordance with the previous activities
14 this day by the Commission. Counsel will call the roll.
15 MS. CREEDON: Commissioner Cornella?
16 COMMISSIONER CORNELLA: Aye.
17 MS. CREEDON: Commissioner Cox?
18 COMMISSIONER COX: Aye.
19 MS. CREEDON: Commissioner Davis?
20 COMMISSIONER DAVIS: Aye.
21 MS. CREEDON: Commissioner Kling?
22 COMMISSIONER KLING: Aye.

1 MS. CREEDON: Commissioner Montoya?

2 COMMISSIONER MONTOYA: Aye.

3 MS. CREEDON: Commissioner Robles?

4 COMMISSIONER ROBLES: Aye.

5 MS. CREEDON: Commissioner Steele?

6 COMMISSIONER STEELE: Aye.

7 MS. CREEDON: Mr. Chairman?

8 CHAIRMAN DIXON: Aye.

9 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and

10 0 nays.

11 CHAIRMAN DIXON: North Highlands remains open.

12 MR. HALL: The next Guard Station up for

13 recommendation is Ontario International Airport Air Guard

14 Station California and the relocation of the Combat

15 Communications and Weather units to March Air Reserve Base

16 also in California.

17 The recommendation requires $900,000 in up-front

18 costs and has an ROI of nine years. In the next chart, we

19 show the pros and cons associated with this recommendation.

20 There are no community or staff concerns regarding this

21 recommendation. We'll now answer any questions the

22 Commissioners may have.

1 CHAIRMAN DIXON: Are there any questions regarding
2 Ontario?
3 (No response.)
4 CHAIRMAN DIXON: Is there a motion?
5 COMMISSIONER DAVIS: Mr. Chairman, I have a motion.
6 CHAIRMAN DIXON: Commissioner Davis.
7 M O T I O N
8 COMMISSIONER DAVIS: I move the Commission find the
9 Secretary of Defense did not deviate substantially from the
10 Final Criteria and Force Structure Plan and therefore the
11 Commission adopt the following recommendation of the
12 Secretary of Defense:
13 Close Ontario International Airport Air Guard
14 Station and relocate the 148th Combat Communications Squadron
15 and the 210th Weather Flight to March Air Reserve Base
16 California.
17 CHAIRMAN DIXON: Is there a second?
18 COMMISSIONER KLING: Second.
19 CHAIRMAN DIXON: Seconded by Commissioner Kling.
20 Counsel will call the roll.
21 MS. CREEDON: Commissioner Davis?
22 COMMISSIONER DAVIS: Aye.

1 MS. CREEDON: Commissioner Kling?

2 COMMISSIONER KLING: Aye.

3 MS. CREEDON: Commissioner Montoya?

4 COMMISSIONER MONTOYA: Aye.

5 MS. CREEDON: Commissioner Robles?

6 COMMISSIONER ROBLES: Aye.

7 MS. CREEDON: Commissioner Steele?

8 COMMISSIONER STEELE: Aye.

9 MS. CREEDON: Commissioner Cornella?

10 COMMISSIONER CORNELLA: Aye.

11 MS. CREEDON: Commissioner Cox?

12 COMMISSIONER COX: Aye.

13 MS. CREEDON: Mr. Chairman?

14 CHAIRMAN DIXON: Aye.

15 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and

16 0 nays.

17 CHAIRMAN DIXON: Ontario remains open -- gets

18 relocated to March Air Force Base. Thank you. Roslyn.

19 MR. HALL: The next Air Guard station we are

20 considering for closure is Roslyn Air Guard Station New York

21 and relocation of the Combat Communications Group and

22 Electronic Installation units to Stewart International

1 Airport Air Guard Station New York.

2 The relocation of these units requires $14.2

3 million up front and has a two-year return on investment.

4 The net present value and ROI assumed DOD will be able to

5 sell the Roslyn property at or near market value. This Guard

6 Station is on 50 acres of property 27 miles east of New York

7 City on Long Island, New York.

8 Next chart, please. The next chart shows the

9 issues associated with this recommendation. The site survey

10 completed after the March recommendations revealed that

11 adequate facilities were not available at Stewart

12 International Airport.

13 As a result, relocation costs increased from $2.4-

14 to $14.2 million. However, according to the Air Force,

15 prospects exist for realizing revenue from the sale of the

16 Guard Station property. This revenue estimated at $22.4

17 million would be used to offset the costs associated with

18 relocation of the unit.

19 The Air Force would have to receive at least $14

20 million by 1999 for the property if the proposal is to be

21 cost-effective. The use of these proceeds was not part of

22 the original DOD recommendation.

1 Only when these proceeds from the sale of the
2 property are used is this recommendation cost-effective. If
3 these proceeds are not realized, the net present value is a
4 net cost of $11.3 million, and the ROI becomes 100 plus
5 years.
6 There are two points I'd like to make regarding
7 this issue. First, DOD policy generally discourages the use
8 of such proceeds from property sales in calculating the costs
9 and savings of closure recommendations, since proceeds may
10 never be realized.
11 Second, the Air Force did not include revenue from
12 the sale of land as part of any other base closure
13 recommendation. However, it feels this situation is unique
14 because of the location of the property.
15 Generally, the community opposes the closure of the
16 guard station has raised doubts as to whether the sale of the
17 property for commercial development is realistic given zoning
18 restrictions. Next chart, please.
19 The next chart summarizes the pros and cons
20 regarding this recommendation. The costs and savings, ROI
21 and NPV on this chart reflect the use of proceeds from the
22 sale of the Guard Station property. Again, only when these

1 proceeds are used is this recommendation cost-effective. Mr.
2 Chairman, I'll now entertain any questions on this
3 recommendation.
4 CHAIRMAN DIXON: Thank you, Mr. Hall. Are there
5 any questions of Mr. Hall? Mr. Kling?
6 COMMISSIONER KLING: One quick one. That value of
7 22 million, did they obtain an appraisal, I have to assume,
8 on that? Where does that figure come from?
9 MR. HALL: The Air Force Real Estate Agency
10 estimated the value at $22.4 million. Because the proceeds
11 or because the anticipation of the sale of the property came
12 in late in the process, there is some doubt as to whether
13 they'll actually get anything for the property or not given
14 the base closure laws.
15 COMMISSIONER KLING: So we're going to tie the
16 close-down to receiving the monies up front. They have to
17 receive the monies --
18 MR. HALL: Yes, they do. They have to receive $14
19 million by 1999.
20 CHAIRMAN DIXON: Any other questions?
21 (No response.)
22 CHAIRMAN DIXON: Is there a motion?

1 COMMISSIONER DAVIS: Yes, sir. I have a motion.

2 CHAIRMAN DIXON: Commissioner Davis.

3 M O T I O N

4 COMMISSIONER DAVIS: I move the Commission find the
5 Secretary of Defense deviated substantially from Final
6 Criteria 4 and 5 and therefore the Commission reject the
7 Secretary's recommendation on Roslyn Air Guard Station New
8 York and instead adopt the following recommendation:

9 Close Roslyn Air Guard Station and relocate the
10 213th Electronic Installation Squadron and the 274th Combat
11 Communications Group to Stewart International Airport AGS New
12 York if Roslyn Air Guard Station can be sold for its fair
13 market value.

14 The 722nd Air Medical Staging Squadron will
15 relocate to suitable lease space within the current
16 recruiting area. The Commission finds this recommendation is
17 consistent with the Force Structure Plan and Final Criteria.

18 CHAIRMAN DIXON: Very well. That's a motion. Is
19 there a second to the motion by Commissioner Davis?

20 COMMISSIONER STEELE: I'll second the motion.

21 CHAIRMAN DIXON: Commissioner Steele seconds the
22 motion. Counsel will call the roll.

1 MS. CREEDON: Commissioner Davis?

2 COMMISSIONER DAVIS: Aye.

3 MS. CREEDON: Commissioner Kling?

4 COMMISSIONER KLING: Aye.

5 MS. CREEDON: Commissioner Montoya?

6 COMMISSIONER MONTOYA: Aye.

7 MS. CREEDON: Commissioner Robles?

8 COMMISSIONER ROBLES: Aye.

9 MS. CREEDON: Commissioner Steele?

10 COMMISSIONER STEELE: Aye.

11 MS. CREEDON: Commissioner Cornella?

12 COMMISSIONER CORNELLA: Aye.

13 MS. CREEDON: Commissioner Cox?

14 COMMISSIONER COX: Aye.

15 MS. CREEDON: Mr. Chairman?

16 CHAIRMAN DIXON: Aye.

17 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and

18 0 nays.

19 CHAIRMAN DIXON: And the motion carries.

20 Springfield-Beckley. MR. HALL: Mr. Chairman, the final

21 recommendation regarding the Air National Guard is the

22 closure of Springfield-Beckley Municipal Airport Air Guard

1 Station Ohio and the relocation of the F-16 Fighter Group and
2 Combat Communications Group to Wright-Patterson Air Force
3 Base Ohio.
4 The one-time cost associated with this
5 recommendation is about $25 million with an 11-year return on
6 investment. Chart F-16 shows the issues we're planning to
7 brief on the left and issues we are prepared to brief on the
8 right.
9 Chart F-17, please. The savings associated with
10 this recommendation are largely derived from elimination of
11 personnel and base operating support costs. The estimate of
12 personnel and base operating support savings has decreased
13 since the relocation was originally proposed in March.
14 As a result, the relocation of this unit is not as
15 cost-effective as originally estimated. It now offers an 11-
16 year return on investment, almost twice the original estimate
17 of six years.
18 In general, the first two issues on the chart
19 address community concerns regarding the true savings of this
20 recommendation and the quality of facilities at Wright-
21 Patterson. In both cases, Commission staff generally concur
22 with DOD.

1 Moving to the third issue on this chart, the City
2 of Springfield has recently proposed to provide fire crash
3 rescue services during the non-flying hour units -- or non-
4 flying hour hours of this unit. This proposal, if accepted,
5 would save about half a million annually in personnel costs.
6 If this proposal, assumed to be in place, the ROI
7 regarding this closure would increase to 13 years. The Air
8 Force and Air National Guard are receptive to this offer if
9 the Commission does not close the Guard Station. However, it
10 is only a proposal and was not factored into the original
11 estimate of return on investment.
12 The Commission staff concur with the community that
13 this proposal would reduce operating costs and increase the
14 ROI to 13 years.
15 CHAIRMAN DIXON: Mr. Hall, may I interrupt you?
16 MR. HALL: Yes, sir.
17 CHAIRMAN DIXON: The Secretary of the Air Force
18 through the Secretary of Defense has advised us that they've
19 changed their mind about this. Is that right? Is there a
20 motion?
21 COMMISSIONER STEELE: I'd like to make a motion.
22 CHAIRMAN DIXON: Commissioner Steele.

1 COMMISSIONER STEELE: Is there a comment?

2 MR. HALL: If they have, sir, I do not know about

3 it. It's entirely possible.

4 CHAIRMAN DIXON: Well, I'm terribly sorry,

5 Mr. Hall. The Chairman is entirely out of order. I was told

6 that we had notification from them that they'd changed their

7 mind about this. That isn't true. There is an argument

8 about the numbers; is that right?

9 MR. HALL: Informally, they have told us that if

10 this relocation had an 11-year ROI on March 1st it would not

11 have been on the base closure list.

12 COMMISSIONER COX: But they haven't written us.

13 MR. HALL: They haven't formally written to the

14 Commission.

15 CHAIRMAN DIXON: So you've got me back in the same

16 place now, have you?

17 MR. CIRILLO: They have informally --

18 CHAIRMAN DIXON: They've informally changed their

19 mind, but they haven't written us a letter? Is that what

20 you're telling me, Mr. Hall?

21 MR. HALL: That's correct, sir.

22 COMMISSIONER STEELE: I'd make the same motion

1 anyway.

2 CHAIRMAN DIXON: Is everybody comfortable they've

3 changed their mind? Commissioner Steele, you're recognized

4 for a motion.

5 M O T I O N

6 COMMISSIONER STEELE: I move the Commission find

7 the Secretary of Defense deviated substantially from Final

8 Criteria 4 and 5 and therefore the Commission reject the

9 Secretary's recommendation on Springfield-Beckley Municipal

10 Airport Guard Station and instead adopt the following

11 recommendation:

12 Keep open Springfield-Beckley Municipal Air Guard

13 Station, including the 178th Fighter Group, the 251st Combat

14 Communications Group and the 269th Combat Communications

15 Squadron. The Commission finds this recommendation is

16 consistent with the Force Structure Plan and Final Criteria.

17 CHAIRMAN DIXON: Okay. That's the motion. Is

18 there a second? COMMISSIONER COX: I'll second.

19 CHAIRMAN DIXON: Second by Commissioner Cox. If

20 there are no -- are there any comments?

21 (No response.)

22 CHAIRMAN DIXON: Counsel will call the roll.

1 MS. CREEDON: Commissioner Steele?

2 COMMISSIONER STEELE: Aye.

3 MS. CREEDON: Commissioner Cornella?

4 COMMISSIONER CORNELLA: Aye.

5 MS. CREEDON: Commissioner Cox?

6 COMMISSIONER COX: Aye.

7 MS. CREEDON: Commissioner Davis?

8 COMMISSIONER DAVIS: Aye.

9 MS. CREEDON: Commissioner Kling?

10 COMMISSIONER KLING: Aye.

11 MS. CREEDON: Commissioner Montoya?

12 COMMISSIONER MONTOYA: Aye.

13 MS. CREEDON: Commissioner Robles?

14 COMMISSIONER ROBLES: Aye.

15 MS. CREEDON: Mr. Chairman?

16 CHAIRMAN DIXON: Aye.

17 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and

18 0 nays.

19 CHAIRMAN DIXON: And Springfield-Beckley remains

20 open. Redirects.

21 MR. CIRILLO: Yes, sir, Mr. Chairman. The last two

22 today, if you'll turn to chart G-1, this redirect relieves

1 the -- changes the responsibility of the operation of an
2 airfield from a contingency airfield at Griffiss Air Force
3 Base, which was closed -- realigned in the 1993 Commission.
4 The Air Force will rebuild the runway at Fort Drum
5 to support the 10th Mountain Division. That's the essence of
6 this. There is no community issues on this issue, and if
7 you'll turn to G-3, it shows you all the figures.
8 COMMISSIONER COX: Just so I remember from '93, we
9 had intended to leave the runway open at Griffiss and thought
10 that would take care of the problem, and I take it that's now
11 much more expensive than we had hoped it might be when we
12 believed that, and now this is an alternative which is at
13 least less expensive?
14 MR. CIRILLO: That's correct. We were concerned
15 then at the cost, you might recall, which it appeared like it
16 was going up, and that's exactly right. The cost to do the
17 contingency contract went up a lot more, and it's a lot more
18 effective for them to build a $52 runway replacement at Fort
19 Drum. That's correct.
20 COMMISSIONER COX: Thank you.
21 CHAIRMAN DIXON: Are there any further questions?
22 (No response.)

1 CHAIRMAN DIXON: Is there a motion?

2 COMMISSIONER DAVIS: I have a motion, Mr. Chairman.

3 CHAIRMAN DIXON: Commissioner Davis.

4 M O T I O N

5 COMMISSIONER DAVIS: I move the Commission find the
6 Secretary of Defense did not deviate substantially from the
7 Final Criteria and Force Structure and therefore the
8 Commission adopt the following recommendation of the
9 Secretary of Defense:

10 Change the recommendation of 1993 Commission
11 regarding support of the 10th Infantry Division Light, Fort
12 Drum, New York, at Griffiss Air Force Base as follows:

13 Close the essential airfield that was to be
14 maintained by the contractor at Griffiss Air Force Base and
15 provide the mobility contingency training support to the 10th
16 Infantry Division Light from Fort Drum Airfield mission
17 essential equipment from -- essential airfield at Griffiss
18 Air Force Base will transfer to Fort Drum.

19 CHAIRMAN DIXON: Thank you, Commissioner Davis. Is
20 there a second for the motion put by Commissioner Davis?

21 COMMISSIONER KLING: I second.

22 CHAIRMAN DIXON: Seconded by Commissioner Kling.

1 Counsel will call the roll. Commissioner Robles, being a
2 fine gentleman, will second this one.
3 MS. CREEDON: Commissioner Davis?
4 COMMISSIONER DAVIS: Aye.
5 MS. CREEDON: Commissioner Kling?
6 COMMISSIONER KLING: Aye.
7 MS. CREEDON: Commissioner Montoya?
8 COMMISSIONER MONTOYA: Aye.
9 MS. CREEDON: Commissioner Robles?
10 COMMISSIONER ROBLES: Aye.
11 MS. CREEDON: Commissioner Steele?
12 COMMISSIONER STEELE: Aye.
13 MS. CREEDON: Commissioner Cornella?
14 COMMISSIONER CORNELLA: Aye.
15 MS. CREEDON: Commissioner Cox?
16 COMMISSIONER COX: Aye.
17 MS. CREEDON: Mr. Chairman?
18 CHAIRMAN DIXON: Aye.
19 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and
20 8 nays.
21 CHAIRMAN DIXON: And the redirect is adopted
22 unanimously.

1 MR. CIRILLO: Mr. Chairman, the Air Force's last
2 activity of the day under consideration is another redirect
3 for Griffiss. As a result of the realignment in 1993, if
4 you'll look at Chart 4, the 485th Engineering Installation
5 Group, a communications outfit, was to move to Hill Air Force
6 Base.
7 That proved to be expensive. As a result of this
8 redirect, the Secretary's recommendation is to disestablish
9 the unit and to relocate its assets to Kelly, McClellan and
10 Tinker Air Force Base.
11 In light of the activities of this morning, when we
12 turned to Chart No. G-6, I don't have any other issues. If
13 you have any other questions --
14 CHAIRMAN DIXON: Are there any questions of
15 Mr. Cirillo regarding this redirect question?
16 (No response.)
17 CHAIRMAN DIXON: Is there a motion?
18 COMMISSIONER DAVIS: Yes, sir.
19 CHAIRMAN DIXON: Commissioner Davis.
20 M O T I O N
21 COMMISSIONER DAVIS: Mr. Chairman, this is such a
22 fast-moving train, I want to make sure I got all the numbers

1 here. I move the Commission find the Secretary of Defense
2 deviates substantially from Final Criterion 3 and therefore
3 the Commission reject the Secretary's recommendation on
4 Griffiss Air Force Base New York as it pertains to the 485th
5 Engineering Installing Group and instead adopt the following
6 recommendation:
7 Change the recommendation of 1993 Commission
8 regarding the transfer of the 485th Engineering Installation
9 Group from Griffiss Air Force Base New York to Hill Air Force
10 Base Utah as follows:
11 Inactivate the 485th EIG, transfer its engineering
12 and installation functions, as operational requirements
13 dictate, in accordance with Department of Air Force policy.
14 The Commission finds this recommendation is consistent with
15 the Force Structure Plan and Final Criteria.
16 CHAIRMAN DIXON: Thank you, Commissioner Davis. Is
17 there a second to that motion?
18 COMMISSIONER KLING: I second that motion.
19 CHAIRMAN DIXON: Seconded by Commissioner Kling.
20 And if there are no further comments, counsel will call the
21 roll.
22 MS. CREEDON: Commissioner Davis?

1 COMMISSIONER DAVIS: Aye.

2 MS. CREEDON: Commissioner Kling?

3 COMMISSIONER KLING: Aye.

4 MS. CREEDON: Commissioner Montoya?

5 COMMISSIONER MONTOYA: Aye.

6 MS. CREEDON: Commissioner Robles?

7 COMMISSIONER ROBLES: Aye.

8 MS. CREEDON: Commissioner Steele?

9 COMMISSIONER STEELE: Aye.

10 MS. CREEDON: Commissioner Cornella?

11 COMMISSIONER CORNELLA: Aye.

12 MS. CREEDON: Commissioner Cox?

13 COMMISSIONER COX: Aye.

14 MS. CREEDON: Mr. Chairman?

15 CHAIRMAN DIXON: Aye.

16 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and

17 0 nays.

18 CHAIRMAN DIXON: And that redirect is unanimously

19 adopted. Now, may I say to staff for the Air Force you've

20 done an exemplary and outstanding job and both this

21 Commission and the country are indebted to you for that fine

22 work. We thank you.

1 Now, ladies and gentlemen, momentarily we're going
2 to go into recess until 8:30 -- adjourn until 8:30 tomorrow
3 morning when we'll take up the Navy. Let me say this. A
4 number of military people and members of the Congress have
5 asked through the day to talk to the Chair.
6 I am embarrassed to decline those requests because
7 every one of them is a friend, and I always am reluctant to
8 decline speaking with someone, but I spoke to everybody from
9 October of last year until midnight Tuesday, made my last
10 call at 11:30 Tuesday night to a congressman whose name I
11 could give if I had to.
12 I feel that I've done my duty. I don't believe
13 anybody says that this individual has not been open and
14 willing to discuss with all people their concerns, but I
15 think, you know, it's fish or cut bait time. And we're going
16 to be working pretty hard here, and so I regret I can't talk
17 more with others.
18 The other thing I want to say is several requests
19 have been made through the day to juggle the order on some of
20 these things. The staff worked literally hundreds and
21 hundreds of hours to get this thing in shape. We're moving
22 along miraculously well given the fact that some of these

1 things we touched today were highly controversial, as tough a
2 vote as you ever have to cast in your lifetime.
3 And so I hope everybody understands that it isn't a
4 lack of care for your view. It's the responsibility of doing
5 this job right that motivates us and forgive us if we've
6 temporarily miffed you a bit by going about our business.
7 If there is any other Commissioner has anything
8 that he or she wants to say before I drop this gavel, when I
9 drop it, we're going to adjourn until 8:30 in the morning.
10 Do any of my Commissioners have anything they want to say?
11 (No response.)
12 CHAIRMAN DIXON: Right here in this room 8:30 in
13 the morning, the Navy.
14 (Whereupon, at 5:50 p.m. the hearing was
15 adjourned.)
16 * * * * *

1 Dalhgren Division Coastal Systems Station, Panama City,
2 Florida; relocate the Infectious Diseases Combat Casualty
3 Care and Operational Medicine programs, along with necessary
4 personnel and equipment to the Walter Reed Army Institute for
5 Research at Forest Glen, Maryland.
6 Is there a second?
7 COMMISSIONER KLING: Second, Mr. Chairman.
8 CHAIRMAN DIXON: Are there any comments and are
9 there any questions?
10 (No response.)
11 CHAIRMAN DIXON: Counsel will call the roll.
12 MS. CREEDON: Commissioner Kling.
13 COMMISSIONER KLING: Aye.
14 MS. CREEDON: Commissioner Montoya.
15 COMMISSIONER MONTOYA: Aye.
16 MS. CREEDON: Commissioner Robles.
17 COMMISSIONER ROBLES: Aye.
18 MS. CREEDON: Commissioner Steele.
19 COMMISSIONER STEELE: Aye.
20 MS. CREEDON: Commissioner Cornella.
21 COMMISSIONER CORNELLA: Aye.
22 MS. CREEDON: Commissioner Cox.

1 COMMISSIONER COX: Aye.

2 MS. CREEDON: Commissioner Davis.

3 COMMISSIONER DAVIS: Aye.

4 MS. CREEDON: Mr. Chairman.

5 CHAIRMAN DIXON: Aye.

6 MS. CREEDON: Mr. Chairman, the vote is eight ayes

7 and zero nays.

8 CHAIRMAN DIXON: That motion unanimously carries.

9 Naval Research Lab Underwater Sound Reference, Orlando,

10 Florida.

11 MR. OWSLEY: The Naval Research Laboratory

12 Underwater Sound Reference Detachment in Orlando, Florida,

13 studies and sets standards associated with underwater sound

14 measurements. The Department's recommendation is to close

15 this facility and relocate its mission, personnel, and

16 equipment to Rhode Island, where it will be co-located with

17 the Navy Full Spectrum Laboratory.

18 The community expressed a concern that an

19 irreplaceable facility could be lost; however, analysis

20 reveals other Navy facilities can absorb the mission without

21 loss. I would also like to point out that we had the Navy

22 talk directly to the Florida people that were concerned about

1 this and I believe their concerns were answered.

2 Are there any other questions?

3 CHAIRMAN DIXON: Are there any questions of Mr.

4 Owsley?

5 COMMISSIONER DAVIS: I have one question.

6 CHAIRMAN DIXON: Commissioner Davis.

7 COMMISSIONER DAVIS: Apparently, this lake the

8 Florida delegation keeps talking about has very particular

9 qualities. Is where the Navy is going to relocate it

10 duplicate those particular qualities?

11 MR. OWSLEY: We discussed that, and that is the

12 particular area that we had the community get involved with

13 us and with the Navy. And I believe the community understood

14 the Navy's position, that they had this covered. It sounded

15 like a reasonable approach to us, General Davis.

16 CHAIRMAN DIXON: Are there any further questions?

17 Commissioner Kling?

18 M O T I O N

19 COMMISSIONER KLING: Mr. Chairman, I move that the

20 commission find that the Secretary of Defense did not deviate

21 substantially from the force structure plan and final

22 criteria; and therefore, that the commission adopt the

1 following recommendation of the Secretary of Defense
2 disestablish the Naval Research Laboratory Underwater Sound
3 referenced attachment, Orlando, Florida.
4 Relocate the calibration of standards function with
5 associated personnel, equipment and support to the Naval
6 Undersea Warfare Center, Newport Division, Newport Rhode
7 Island, except for the tank facility one, which will be
8 accessed.
9 CHAIRMAN DIXON: I second that motion. Are there
10 any comments or questions? Counsel will call the role.
11 MS. CREEDON: Commissioner Kling.
12 COMMISSIONER KLING: Aye.
13 MS. CREEDON: Commissioner Montoya.
14 COMMISSIONER MONTOYA: Aye.
15 MS. CREEDON: Commissioner Robles.
16 COMMISSIONER ROBLES: Aye.
17 MS. CREEDON: Commissioner Steele.
18 COMMISSIONER STEELE: Aye.
19 MS. CREEDON: Commissioner Cornella.
20 COMMISSIONER CORNELLA: Aye.
21 MS. CREEDON: Commissioner Cox.
22 COMMISSIONER COX: Aye.

1 MS. CREEDON: Commissioner Davis.

2 COMMISSIONER DAVIS: Aye.

3 MS. CREEDON: Mr. Chairman.

4 CHAIRMAN DIXON: Aye.

5 MS. CREEDON: Mr. Chairman, the vote is eight ayes

6 and zero nays.

7 CHAIRMAN DIXON: That motion is unanimously

8 adopted. Naval Command Control and Ocean Surveillance

9 Center, Norfolk, Virginia.

10 MR. OWSLEY: The Department of Defense

11 recommendations is close the in-service engineering East

12 Coast attachment, St. Julien's Creek Annex, Norfolk,

13 Virginia, of the Naval Command Control and Ocean Surveillance

14 Center, except retain in place the transmit and receive

15 equipment antennas currently at the St. Julien Creek Annex.

16 Relocate functions, necessary personnel and

17 equipment to the Norfolk Naval Shipyard, Norfolk, Virginia.

18 There are no major issues with this recommendation.

19 CHAIRMAN DIXON: I thank you. Are there any

20 questions to Mr. Owsley? Any comments? Commissioner Kling.

21 M O T I O N

22 COMMISSIONER KLING: Mr. Chairman, I move that the

1 commission find that the Secretary of Defense did not deviate
2 from the force structure plan and final criteria; and
3 therefore, that the commission adopt the following
4 recommendation of the Secretary of Defense. Close the in-
5 service engineering East Coast attachment, St. Julien's Creek
6 Annex, Norfolk, Virginia, of the Naval Command Control and
7 Ocean Surveillance Center; except retain in place the
8 transmit and receive equipment and antennas currently at the
9 St. Julien's Creek Annex.
10 Relocate function, necessary personnel, and
11 equipment to Norfolk Naval Shipyard, Norfolk, Virginia.
12 CHAIRMAN DIXON: And I second that motion. Are
13 there any comments or questions? Counsel, call the roll.
14 MS. CREEDON: Commissioner Kling.
15 COMMISSIONER KLING: Aye.
16 MS. CREEDON: Commissioner Montoya.
17 COMMISSIONER MONTOYA: Aye.
18 MS. CREEDON: Commissioner Robles.
19 COMMISSIONER ROBLES: Aye.
20 MS. CREEDON: Commissioner Steele.
21 COMMISSIONER STEELE: Aye.
22 MS. CREEDON: Commissioner Cornella.

1 COMMISSIONER CORNELLA: Aye.

2 MS. CREEDON: Commissioner Cox.

3 COMMISSIONER COX: Aye.

4 MS. CREEDON: Commissioner Davis.

5 COMMISSIONER DAVIS: Aye.

6 MS. CREEDON: Mr. Chairman.

7 CHAIRMAN DIXON: Aye.

8 MS. CREEDON: Mr. Chairman, the vote is eight ayes

9 and zero nays.

10 CHAIRMAN DIXON: And that motion unanimously

11 carries. Are you folks there at the table prepared now to go

12 to Army installations, Mr. Owsley?

13 MR. OWSLEY: Yes, we are. The next installation is

14 Dugway Proving Ground, Utah. The original recommendation

15 that Dugway Proving Ground be realigned by relocating the

16 smoke and obscurant mission to Yuma Proving Ground, Arizona,

17 and some elements of chemical biological research to Aberdeen

18 Proving Ground, Maryland. Also, English Village was to be

19 disposed of, and test and experimentation facilities to

20 support the Army and DOD missions would be retained.

21 On June 14th, the Secretary of Defense supported

22 the removal of the BRAC recommendation on Dugway Proving

1 Ground. Are there any questions?

2 CHAIRMAN DIXON: Yeah, the Secretary has asked that

3 we reject this. Now, is that correct? You have a letter

4 from the Secretary, asking this be rejected.

5 MR. OWSLEY: That's correct.

6 CHAIRMAN DIXON: Are there any further questions?

7 COMMISSIONER ROBLES: Mr. Chairman, just one quick

8 question.

9 CHAIRMAN DIXON: Commissioner Robles.

10 COMMISSIONER ROBLES: Would you just clarify for

11 the record what the Army's proposal is on English Village?

12 MR. OWSLEY: Other than keeping it open and hoping

13 at some time there will be a privatization of that, they did

14 not give a particular proposal with the recommendation.

15 COMMISSIONER ROBLES: But as you understand it,

16 they are going to keep it open?

17 MR. OWSLEY: Yes, sir, they are.

18 COMMISSIONER ROBLES: Okay.

19 COMMISSIONER KLING: Rightly so.

20 COMMISSIONER STEELE: Yes, rightly so.

21 CHAIRMAN DIXON: Are there further questions or

22 comments? Is there a motion?

1 M O T I O N

2 COMMISSIONER KLING: Mr. Chairman, I move the
3 commission find the Secretary of Defense deviated
4 substantially from final criteria 1 and 8; and therefore, the
5 commission reject the Secretary's recommendation on Dugway
6 Proving Ground, and instead adopt the following
7 recommendation. Retain Dugway Proving Ground, including all
8 activities and facilities. The commission finds this
9 recommendation is consistent with the force structure plan
10 and final criteria.

11 CHAIRMAN DIXON: Is there a second to the motion of
12 Commissioner Kling?

13 COMMISSIONER STEELE: I am delighted to second that
14 motion.

15 CHAIRMAN DIXON: All right, Commissioner Steele
16 seconds that motion. And are there any comments? Counsel,
17 call the roll.

18 MS. CREEDON: Commissioner Kling.

19 COMMISSIONER KLING: Aye.

20 MS. CREEDON: Commissioner Montoya.

21 COMMISSIONER MONTOYA: Aye.

22 MS. CREEDON: Commissioner Robles.

1 COMMISSIONER ROBLES: Aye.

2 MS. CREEDON: Commissioner Steele.

3 COMMISSIONER STEELE: Aye.

4 MS. CREEDON: Commissioner Cornella.

5 COMMISSIONER CORNELLA: Aye.

6 MS. CREEDON: Commissioner Cox.

7 COMMISSIONER COX: Aye.

8 MS. CREEDON: Commissioner Davis.

9 COMMISSIONER DAVIS: Aye.

10 MS. CREEDON: Mr. Chairman.

11 CHAIRMAN DIXON: Aye.

12 MS. CREEDON: Mr. Chairman, the vote is eight ayes

13 and zero nays.

14 CHAIRMAN DIXON: And the request of the Secretary,

15 is supported unanimously. Now, ladies and gentlemen, that

16 concludes, as I understand it, the cross service section of

17 our work. I want to say that, in the opinion of the chair,

18 this was the most difficult part, on balance, of our entire

19 program -- highly controversial, very, very difficult. I

20 want to congratulate the staff on an outstanding job.

21 It was a difficult job, well researched. And I

22 congratulate all of you on a fine job. Thank you very, very

1 much.

2 MR. OWSLEY: Thank you, Mr. Chairman.

3 CHAIRMAN DIXON: Thank you, Mr. Owsley. And

4 Director, are you ready to go forward?

5 MR. LYLES: Mr. Chairman, we're ready to go forward

6 with the Air Force team, at the convenience of the

7 commission.

8 CHAIRMAN DIXON: We're going to declare a five-

9 minute break, and then we'll be back here in five minutes,

10 and we'll go to the Air Force.

11 [A brief recess was taken.]

12 CHAIRMAN DIXON: We're ready to testify concerning

13 the Air Force. Do you have someone missing, Director?

14 MR. LYLES: I think we can proceed, Mr. Chairman.

15 We have the Air Force team in place and ready to go, sir.

16 CHAIRMAN DIXON: All right, we're going to go to

17 the Air Force. Director Lyles.

18 MR. LYLES: Mr. Chairman, Frank Cirillo, the Air

19 Force team chief will begin the presentation of the

20 recommendations for closure and realignments in the Air

21 Force.

22 CHAIRMAN DIXON: All right, Mr. Cirillo.

1 MR. CIRILLO: Thank you, Mr. Chairman, and I also
2 have Mr. Olson, Mr. DiCamillo at the table with me for the
3 first portion of our presentation. Commissioners, the first
4 slide, which is just ahead of Tab A in your book represents
5 the 13 categories the Department of the Air Force used in
6 their analysis of 100 major Air Force bases. The shaded
7 categories have bases to be discussed today.
8 We'll brief the missile and large aircraft
9 categories together, due to their relationship; and then
10 cover the undergraduate pilot training category. The depot,
11 laboratory and test categories of the Air Force have already
12 been briefed by the cross service team. Finally, we'll cover
13 those installations today and the remaining categories, as
14 shown.
15 If you go to Tab A on Slide A1 and also the map.
16 We'll first cover the missile and large aircraft categories.
17 The four bases indicated with an M are the missile bases.
18 Also note in this slide that four bases were excluded by the
19 Air Force for mission or geographical reasons. We'll be
20 addressing only the three shaded bases. The tiers shown at
21 the left for the non-excluded bases reflect the Air Force for
22 ranking respective installations within each category.

1 As a reminder, Mr. Chairman and commissioners, the
2 Secretary of the Air Force used the tiers to develop their
3 closure and realignment recommendations. I will now turn
4 this category over to Mr. David Olson, who will discuss Grand
5 Forks and Minot Air Force Bases; and then to Mr. Rick
6 DiCamillo, who will discuss Malmstrom Air Force Base and a
7 related redirect from McDill Air Force Base in Florida. Mr.
8 Olson.
9 MR. OLSON: Mr. Chairman, commissioners, in the
10 large aircraft missile category, we have studied DOD
11 recommendations for Grand Forks and Malmstrom Air Force Base,
12 as well as commission adds for Grand Forks and Minot Air
13 Force Bases. This chart reflects the Air Force assessed
14 overall value of the Grand Forks and Minot Air Force Bases,
15 as well as the costs and savings of the DOD recommendation
16 and the commission alternatives.
17 DOD recommended the Grand Forks realignment because
18 of a reduction in intercontinental ballistic missile force
19 structure, in accordance with the nuclear posture review,
20 which requires inactivation of one missile field within the
21 Air Force. The commission adds provide the Minot missile
22 field for consideration as an alternative to Grand Forks, as

1 well as the potential for substantially more savings with the
2 complete closure of Grand Forks Air Force Base.
3 If I could have the next slide, A4, please. These
4 are the issues associated with the DOD recommended
5 inactivation of the missile field at Grand Forks, and the
6 commission alternative to close Grand Forks. The key issue,
7 with respect to the missile field, is operational
8 effectiveness. The Air Force rated Grand Forks its least
9 capable missile field, based on five criteria -- ability to
10 reach targets; size and orientation of the field; geological
11 effects on survivability; weather impacts on operations and
12 maintenance; and logistics supportability.
13 The community argues that all missile fields are
14 equally capable and have performed their missions effectively
15 for the past 30 years. Staff findings support the DOD
16 position. All missile fields are fully capable, but the high
17 water table at Grand Forks reduces survivability. The alert
18 rate at Grand Forks has been consistently lower than at
19 Minot. And on-site depot support costs have been higher.
20 At the time the DOD recommendation was received,
21 there was uncertainty about whether implications for the
22 Grand Forks anti-ballistic missile system and ballistic

1 missile defense might preclude inactivation of the Grand
2 Forks Minuteman field. Indeed, it was for this reason that
3 the Minot missile field was added for consideration.
4 On May 9, the commission received a letter from the
5 Deputy Secretary of Defense, indicating that representatives
6 of DOD, the Joint Chiefs of Staff, the State Department, the
7 Arms Control and Disarmament Agency, and the National
8 Security Council staff had determined that ABM considerations
9 would not preclude inactivation of the Grand Forks Minuteman
10 field. Subsequent correspondence with DOD confirms
11 inactivation of the Grand Forks Minuteman field will not
12 affect the U.S. right to retain an ABM system deployment area
13 at Grand Forks.
14 And it will not require demolition of the ABM
15 facilities. It should be noted, however, it may be necessary
16 to leave a small number of empty silos in place at Grand
17 Forks. The staff finds that the interagency position
18 resolves the potential ABM obstacles. This finding also
19 affects costs, because the community believes that ABM
20 demolition costs, if required, should be added to the cost to
21 inactivate the missile field.
22 However, since there are no ABM related costs, the

1 Grand Forks missile field has a lower cost to inactivate than
2 Minot. DOD included $5.5 million for housing demolition at
3 Grand Forks, increasing annual recurring savings by $3.7
4 million. This appears to be a sound investment strategy that
5 produces substantial long-term savings, but would not be
6 necessitated by a decision to realign Grand Forks.
7 As such, the costs and savings associated with this
8 action were removed from the decision COBRA. In studying
9 Grand Forks for a complete closure, the value of the core
10 tanker concept is an issue. This is a component of military
11 value which the commission must weigh against the savings for
12 a complete closure. Both the Air Force and the community
13 argue the organizational improvements, operational
14 capabilities, and fiscal efficiencies of core tanker bases
15 are essential to meeting current military challenges.
16 Staff findings indicate that the core tanker unit
17 at Grand Forks has been successful in sustaining a high
18 deployment rate in support of global operational
19 contingencies. On average, over the past year, on a given
20 day, 66 percent of Grand Forks tankers were off station,
21 combining four squadrons of tankers at Grand Forks fully uses
22 the air field, and achieves efficiencies and supply

1 maintenance and facilities utilization.

2 Grand Forks is an important operational location
3 for supporting both strategic nuclear and contingency
4 deployment operations, CINC STRATCOM, CINC TRANSCOM, the Vice
5 Chairman of the Joint Chiefs, and the Air Force Chief of
6 Staff strongly support retaining the core tanker mission at
7 Grand Forks because of its operational location. In
8 addition, the staff notes that the runway at Grand Forks was
9 updated to Code 1 in 1994.

10 The hydrant system, essential to effective tanker
11 operations, has been upgraded. Airfield facilities are
12 modern. And state and local zoning assure that there will be
13 no airfield encroachment in the foreseeable future. The
14 final two issues, tanker saturation in the Northwest and the
15 tanker shortfall in the Southeast were raised by DOD as part
16 of the rationale for relocating tankers from Malmstrom Air
17 Force Base to McDill Air Force Base.

18 Grand Forks has a North Central location, and as
19 such, does not contribute to the tanker saturation problem in
20 the Northwest. It is, in fact, the only North Central
21 location to support the single integrated operations plan.
22 Although there is a tanker shortfall in the Southeast, when

1 the number of locally based tankers is measured against
2 training requirements, this is not an important issue, and
3 considered against the operational requirements at Grand
4 Forks.
5 Slide A5, please. The Minot issues are closely
6 related to those at Grand Forks. Missile field operational
7 effectiveness is better at Minot. The geology is more
8 survivable. The alert rate is the highest in the Air Force.
9 The depot support costs are the lowest in the Air Force. By
10 these measures, Minot is not only better than Grand Forks,
11 but better than F.E. Warren and Malmstrom, as well.
12 The DOD position was that Minot could be
13 substituted for Grand Forks if ABM implications became a
14 show-stopper for the Grand Forks recommendation. The
15 interagency review concluded there are no ABM related
16 obstacles; and the Minot alternative is no longer required
17 for this reason. Although the Air Force evaluated missile
18 and large aircraft missions separately, the Minot community
19 believes that the missions should be considered together when
20 calculating military value, because they provide operational
21 efficiencies.
22 The staff finds there is shared overhead, and the

1 nuclear missions are able to share the weapons storage area.
2 The next two slides, please. Mr. Chairman, these charts
3 summarize the DOD recommendation and the commission
4 alternatives, and provide pros and cons of each. I would be
5 pleased to answer any questions you may have at this time.
6 CHAIRMAN DIXON: Is there anything more on Grand
7 Forks or Minot by anybody on your staff? Are there any
8 questions of the staff, concerning Grand Forks or Minot?
9 COMMISSIONER STEELE: Yes, sir.
10 CHAIRMAN DIXON: Commissioner Steele.
11 COMMISSIONER STEELE: Just a comment -- more
12 comment than a question. But I wanted to compliment, for the
13 department, their message of wanting to retain the core
14 tanker wing was so loud and clear in writing, that it might
15 be a violation of the Paperwork Reduction Act. We got so
16 many letters on the subject; it was definitely a message
17 delivered and heard. And I appreciate that clear guidance.
18 My frustration on the issue in one area is when I
19 went up to Grand Forks, after we added the base for closure.
20 Prior to that, on March 30th, both on the base visit I didn't
21 go to and the regional hearing, when we were still looking at
22 the alternative between the missile field at Grand Forks or

1 Minot, because we hadn't received the letter on the ABM
2 issue, the Air Force said that there were no water problems
3 in the silos for the past two years.
4 Topside grading and improved seals have eliminated
5 topside water intrusion into silos. And again they testified
6 that the missile silos at Grand Forks have had a reputation
7 for leaking, but that problem was eliminated in '92. Then we
8 looked at the issue of closure of Grand Forks, and we sort of
9 focused on the core tanker wing. Then we kind of removed
10 that issue, because the strong support from the core tanker
11 wing up there.
12 And then the testimony from the Air Force was, last
13 Wednesday -- I was not aware that the Air Force says there
14 were no water problems at Grand Forks. We're spending
15 considerably more money to operate those silos at Grand Forks
16 than we are at Minot or anywhere else. And if they're not
17 spending it on the water issue, I don't know what they're
18 spending it on.
19 And I guess my frustration is that Ogden, which is
20 the depot that supports the missile wings, says that the
21 water maintenance -- the percentage of maintenance that's
22 spent on the water problem is only 5 percent. And while it

1 was higher at Grand Forks than other missile wings, the Grand
2 Forks overall maintenance dollars was still lower than
3 Malmstrom.
4 So I just wanted to voice my frustration at having
5 spent a wonderful day up there, and really did enjoy my
6 visit. But I felt that I was getting very different stories
7 on the water problem, depending upon the outcome that the
8 department was seeking on this issue. And I just thought I'd
9 voice that. Now I feel better, and I see no substantial
10 deviation, and we can move forward.
11 CHAIRMAN DIXON: Thank you, Commissioner Steele.
12 That doesn't require a response, I don't think. Is there any
13 further comment or question from anybody, concerning what the
14 staff has reported? Is there a motion?
15 COMMISSIONER KLING: Yes, sir, Mr. Chairman.
16 CHAIRMAN DIXON: Commissioner Kling.
17 M O T I O N
18 COMMISSIONER KLING: I move the commission find the
19 Secretary of Defense did not deviate substantially from the
20 force structure plan and final criteria; and therefore, that
21 the commission adopt the following recommendation of the
22 Secretary of Defense. Realign Grand Forks. The 321st

1 missile group will inactivate in Minutemen 3 missiles to
2 relocated to Malmstrom Air Force Base, Montana. A small
3 number of silo launchers at Grand Forks may be retained if
4 required.
5 The 319th Air Refueling Wing will remain in place.
6 All activities and facilities at the base associated with the
7 319th Air Refueling Wing, including family housing, the
8 hospital, commissary and basic exchange, will remain open.
9 CHAIRMAN DIXON: That's a motion. Is there a
10 second to the motion?
11 COMMISSIONER STEELE: I'll second the motion.
12 CHAIRMAN DIXON: And Commissioner Steele seconds
13 the motion. Are there any further comments or questions?
14 Counsel, call the roll.
15 MS. CREEDON: Commissioner Kling.
16 COMMISSIONER KLING: Aye.
17 MS. CREEDON: Commissioner Montoya.
18 COMMISSIONER MONTOYA: Aye.
19 MS. CREEDON: Commissioner Robles.
20 COMMISSIONER ROBLES: Aye.
21 MS. CREEDON: Commissioner Steele.
22 COMMISSIONER STEELE: Aye.

1 MS. CREEDON: Commissioner Cornella.

2 COMMISSIONER CORNELLA: I recuse in this issue.

3 CHAIRMAN DIXON: Commissioner Cornella recuses on

4 this issue.

5 MS. CREEDON: Commissioner Cox.

6 COMMISSIONER COX: Aye.

7 MS. CREEDON: Commissioner Davis.

8 COMMISSIONER DAVIS: Aye.

9 MS. CREEDON: Mr. Chairman.

10 CHAIRMAN DIXON: Aye.

11 MS. CREEDON: Mr. Chairman, the vote is seven ayes

12 and zero nays.

13 CHAIRMAN DIXON: And on that vote, the motion

14 carries unanimously, with one recusal. And I believe I'm

15 correct in stating, counsel, that on Minot, unless there is

16 some objection by commissioners, there is not activity

17 required. That was an add on. Is there any suggestion by

18 anybody that they want to do an exercise on Minot? Or may we

19 just save ourself that moment of grace there? Good. Then

20 the Chair declares that Minot Air Force Base, North Dakota,

21 remains open.

22 No activity needed, since it was an add on.

1 Malmstrom Air Force Base.

2 MR. CIRILLO: Mr. DiCamillo will cover that, Mr.

3 Chairman.

4 CHAIRMAN DIXON: Mr. DiCamillo.

5 MR. DiCAMILLO: Commissioners, carrying on with the

6 large aircraft category, we have Malmstrom Air Force Base,

7 Montana recommended by Department of Defense for realignment.

8 The recommendation realigns the 43rd Air Refueling Group and

9 its 12 KC-35 tankers from Malmstrom to McDill Air Force Base,

10 Florida. Further, the recommendation closes the Malmstrom

11 air field to fixed wing operations.

12 This chart reflects the overall value of the base

13 and cost and savings associated with the recommendation. A9,

14 please. The next chart previews the issues associated with

15 the recommendation. The bold issues on the left of the chart

16 will be discussed in more detail in the following chart. The

17 leading issue in this recommendation is the Air Force's

18 position there is a tanker saturation problem in the

19 Northwestern U.S.

20 The community did not address tanker saturation,

21 but rather recommended the addition of more tankers be moved

22 into Malmstrom to take advantage of excess capacity and

1 outstanding facilities. Our analysis reflects 70 tankers at
2 Fairchild Air Force Base in Spokane, Washington, which is one
3 of three core tanker bases in the Air Force. Conversely,
4 there is a lack of tankers located in the Southeast U.S.,
5 where there is a high demand for air refueling training
6 capability.
7 The Air Force contends the relocation of Malmstrom
8 tankers to McDill will alleviate the Southeast tanker deficit
9 partially, and provide a cost effective approach for
10 retaining and operating McDill air field, which is the
11 subject of a redirect which I will address shortly. The
12 commission staff agrees with the deficiency in tanker
13 resources to support training in the Southeast, and notes the
14 relocation will partially relieve the problem, as I
15 mentioned.
16 Another issue is the Malmstrom field elevation --
17 3,500 foot elevation in runway length limits maximum gross
18 weight take off capability for the KC-135 tankers, which
19 translates to reduced air refueling off load capabilities
20 during operational deployment missions. The community
21 maintains combast maximum gross weight take offs occur only
22 about 10 percent of the time.

1 Staff concurs with the gross weight take off
2 limitations, and notes that gross weight take off capability
3 at McDill is 23,000 pounds greater than Malmstrom. Finally,
4 there is excess capacity existing at Malmstrom Air Force
5 Base. I don't think anybody denies that. No one really
6 disputes this, but differs in the method of resolving the
7 problem. The Air Force proposal would close down the fixed
8 wing air field operations after relocation of the tankers,
9 while the community advocates adding two more squadrons of
10 aircraft -- approximately 24 KC-135s -- to the base to make
11 use of excess capacity.
12 We concur with the community that there is excess
13 capacity, and the base could probably handle more tankers,
14 but with additional military construction. However, this
15 approach would exacerbate the Northwest tanker saturation
16 problem. Next chart, please. The final chart is the
17 scenario summary.
18 MR. CIRILLO: Yes, Mr. Chairman, this is a scenario
19 summary for this base. But after you've looked it over, I
20 recommend that we go on to McDill, to discuss it, before we
21 actually vote.
22 CHAIRMAN DIXON: Yes, we're going to do that,

1 because they're paired.

2 MR. CIRILLO: Yes, sir.

3 CHAIRMAN DIXON: So move right along.

4 MR. DiCAMILLO: Chart A12, please. Mr. Chairman

5 and commissioners, I would like to address the redirect of

6 McDill Air Force Base at this time, since it is coupled with

7 the realignment of Malmstrom and the KC-135s. The chart

8 before you gives the background of actions taken by previous

9 commissions, regarding McDill Air Force Base. The redirect

10 proposes the Air Force retain McDill air field as part of the

11 Air Force Base.

12 The Air Force will continue to operate the runway

13 and its associated activities. And the Department of

14 Commerce will remain as attendant, under the DOD

15 recommendation. A13, please. This is a summary of the DOD

16 recommendations, with the pros and cons. The cost and

17 savings for this redirect are reflected in the Malmstrom

18 realignment.

19 The reason for no costs is shown at the top part of

20 the chart. This completes my briefing, and I'll be glad to

21 answer any questions.

22 CHAIRMAN DIXON: I thank you very much. Are there

1 any questions? Are there any comments?

2 COMMISSIONER STEELE: I have one brief comment.

3 CHAIRMAN DIXON: Commissioner Steele.

4 COMMISSIONER STEELE: Just so my colleagues know,

5 when I was at Grand Forks, and we were still entertaining the

6 motion of closing the entire base, I asked a visiting general

7 that day if we did relocate the KC-135s from Grand Forks,

8 would the Air Force still want to move the aircraft from

9 Malmstrom; and he responded, yes. And I just wanted to share

10 that with my colleagues.

11 CHAIRMAN DIXON: I thank you. Are there any

12 further comments?

13 (No response.)

14 CHAIRMAN DIXON: Is there a motion? Mr. Davis.

15 COMMISSIONER DAVIS: Being a fighter pilot, I hate

16 to throw away any runway. I tried to find that there was

17 significant deviation in trying to keep the runway, but I got

18 no support whatsoever. So I submit the following motion.

19 M O T I O N

20 COMMISSIONER DAVIS: I move the commission find the

21 Secretary of Defense did not deviate substantially from the

22 force structure plan and final criteria; and therefore, the

1 commission adopt the following recommendation of the
2 Secretary of Defense.
3 Realign Malmstrom Air Force Base. The 43rd Air
4 Refueling Group and its KC-135 aircraft will relocate to
5 McDill Air Force Base, Florida, or as appropriate. All fixed
6 wing aircraft flying operations at Malmstrom will cease, and
7 the air field will be closed. The small air field
8 operational area will continue to be available to support
9 helicopter operations of the 40th Rescue Flight, which will
10 remain to support the missile operations.
11 All base activities and facilities associated with
12 the 341st Missile Link will remain.
13 CHAIRMAN DIXON: Thank you, Commissioner. Is there
14 a second to that motion?
15 COMMISSIONER KLING: Second that, Mr. Chairman.
16 CHAIRMAN DIXON: Seconded by Commissioner Kling.
17 Is there further comment or any questions? Counsel will call
18 the role.
19 MS. CREEDON: Commissioner Davis.
20 COMMISSIONER DAVIS: Aye.
21 MS. CREEDON: Commissioner Kling.
22 COMMISSIONER KLING: Aye.

1 MS. CREEDON: Commissioner Montoya.

2 COMMISSIONER MONTOYA: Aye.

3 MS. CREEDON: Commissioner Robles.

4 COMMISSIONER ROBLES: Aye.

5 MS. CREEDON: Commissioner Steele.

6 COMMISSIONER STEELE: Aye.

7 MS. CREEDON: Commissioner Cornella.

8 COMMISSIONER CORNELLA: I recuse myself on this

9 matter.

10 CHAIRMAN DIXON: Mr. Cornella recuses himself.

11 MS. CREEDON: Commissioner Cox.

12 COMMISSIONER COX: Aye.

13 MS. CREEDON: Mr. Chairman.

14 CHAIRMAN DIXON: Aye.

15 MS. CREEDON: Mr. Chairman, the vote is seven ayes

16 and zero nays.

17 CHAIRMAN DIXON: Malmstrom's realigned, according

18 to that vote, unanimously. McDill Air Force Base. Is there

19 any further comment or are there any questions concerning

20 McDill? And if not, is there a motion?

21 COMMISSIONER DAVIS: I have a motion, sir.

22 CHAIRMAN DIXON: Commissioner Davis.

1 M O T I O N

2 COMMISSIONER DAVIS: I move the commission find the
3 Secretary of Defense did not deviate substantially from the
4 force structure plan and final criteria; and therefore, the
5 commission adopt the following recommendation of the
6 Secretary of Defense.

7 Change the recommendation of 1991 and 1993
8 commissions, regarding the closure and transfer of McDill Air
9 Force Base air field to the Department of Commerce, as
10 follows. Redirect the retention of McDill air field as part
11 of the McDill Air Force Base. The Air Force will continue to
12 operate the runway and its associated activities. Department
13 of Commerce will remain as attendant.

14 CHAIRMAN DIXON: I'll second that motion, and I
15 would again observe, this is another example of a
16 revisitation of prior BRACs. And I hope the Congress is
17 aware of the fact that there's not going to be another BRAC
18 in a couple of years. I'm sure they're relieved about that;
19 but we're going to have to have some way of correcting these
20 BRAC activities. So that's part of what we're going to
21 recommend to the Congress.

22 I see distinguished members here. Counsel will

1 call the roll.

2 MS. CREEDON: Commissioner Davis.

3 COMMISSIONER DAVIS: Aye.

4 MS. CREEDON: Commissioner Kling.

5 COMMISSIONER KLING: Aye.

6 MS. CREEDON: Commissioner Montoya.

7 COMMISSIONER MONTOYA: Aye.

8 MS. CREEDON: Commissioner Robles.

9 COMMISSIONER ROBLES: Aye.

10 MS. CREEDON: Commissioner Steele.

11 COMMISSIONER STEELE: Aye.

12 MS. CREEDON: Commissioner Cornella.

13 COMMISSIONER CORNELLA: I recuse myself on this

14 matter.

15 CHAIRMAN DIXON: Commissioner Cornella recuses

16 himself.

17 MS. CREEDON: Commissioner Cox.

18 COMMISSIONER COX: Aye.

19 MS. CREEDON: Mr. Chairman.

20 CHAIRMAN DIXON: Aye.

21 MS. CREEDON: Mr. Chairman, the vote is seven ayes

22 and zero nays.

1 CHAIRMAN DIXON: All right, and that motion
2 prevails unanimously, and the redirect takes place.
3 Undergraduate pilot training.
4 MR. CIRILLO: Yes, if everybody will turn to Tab B
5 and charts B1 and B2. The map on your right reflect the
6 bases in the Air Force Undergraduate Pilot Training, or
7 called the UPT category. We'll be discussing the shaded
8 bases. The Air Force recommended Reese Air Force Base,
9 Texas, for closure. And on May 10th, the commission added
10 three bases for further consideration.
11 I'll now turn the presentation over to Lieutenant
12 Colonel Merrill Beyer, for the UPT category.
13 LIEUTENANT COLONEL BEYER: Mr. Chairman and
14 commissioners, I'd like to begin my remarks with some
15 comments about cross servicing, and then address capacity,
16 and then quickly hit on the key issues. The Secretary of
17 Defense formed a joint cross service group to study ways to
18 reduce excess capacity in the pilot and navigator
19 undergraduate training programs by consolidation of Air
20 Force, Navy, and Army unique programs where it made sense to
21 do so.
22 This group presented its alternatives for closure

1 and realignment actions to the services. Each service then
2 performed their own analysis in determining their final
3 recommendations to the Secretary of Defense. The staff
4 examined the efforts of the services to integrate fixed wing
5 pilot and navigator undergraduate training, and finds the Air
6 Force and Navy training commands have made great strides to
7 consolidate training programs, reduce excess capacity, and
8 retain those programs unique to each service.
9 We should be looking at slide B3. Capacity is the
10 overriding issue in the Air Force UPT category. Currently,
11 the Air Force is operating its UPT bases well below capacity.
12 However, the Air Force plans to increase its pilot training
13 requirements 52 percent, as its pilot population returns to
14 normal. DOD performed its capacity analysis based on this
15 increased requirement. The Secretary of the Air Force
16 recommended one UPT base, Reese Air Force Base, for closure.
17 On the 14th of June, General Fogleman and the Air
18 Force Chief of Staff reconfirmed the recommendation for
19 closure of no more than one UPT base, stating Reese Air Force
20 Base is the right installation to close. Although he noted a
21 single closure was a reasonable risk, he did express some
22 concerns about the capacity of the three remaining UPT bases,

1 slightly outside the FY DAC, or beyond the six-year closure
2 period.
3 Please turn to slide B4, and you can leave B3 up as
4 well. Thank you. This chart summarizes the Air Force
5 analysis of UPT capacity after the planned 52 percent
6 increase in requirements. The staff finds the closure of one
7 Air Force UPT base to contain acceptable risks to the Air
8 Force's ability to meet its pilot training requirements. The
9 closure of more than one UPT base, however, will simply not
10 allow the Air Force to meet its pilot training requirements.
11 Please turn to slide B5, B5 only. The Secretary of
12 Defense recommended the closure of Reese Air Force Base, the
13 deactivation of the 64th flight training wing, and the
14 redistribution or retirement of all assigned aircraft. The
15 commission added Columbus, Laughlin, and Vance Air Force
16 Bases as possible substitute for Reese. The primary criteria
17 for analysis in the UPT category are shown on this slide.
18 The most significant are highlighted.
19 The functional value of each base to perform the
20 UPT mission, the costs involved in training pilots, and the
21 economic impacts of closure on the local communities are the
22 key. If there are no questions on this chart, I'll address

1 the specific issues relevant to the UPT category, first,
2 weather. Please turn to slide B6.
3 The Secretary of Defense recommendation is based on
4 analysis performed by the UPT joint cross service group and
5 utilized by the Air Force in arriving at their
6 recommendation. The UPT joint cross service group assigned
7 values to several measures of merit in order to determine the
8 functional value of each UPT base. Weather is one of these
9 measures of merit. Staff finds that 15 percent is
10 insufficient for this vital attribute of UPT, and instead
11 used a weighting factor of 30 percent.
12 If there are no questions, we can turn to slide B7.
13 The next issue is the air space surrounding each UPT base.
14 Staff finds no base is deficient in air space. And we can
15 turn to slide B8. Encroachment like weather is a vital
16 factor for the safe and efficient conduct of UPT flight
17 training operations. The UPT joining cross service group
18 assigned a weighting factor for encroachment of 6 percent.
19 Staff finds this to be insufficient, and instead assigned a
20 value of 20 percent.
21 Slide B9, please. This chart compares economic
22 impact. Laughlin has the highest potential economic impact -

1 - 21.4 percent. Please turn to B10. On this summary chart,
2 I've listed the primary issues in the UPT category for easy
3 comparison. Mr. Chairman, if there's no questions, we can
4 throw up the scenario slides, charts B11 and 12. This
5 concludes my remarks, sir.
6 CHAIRMAN DIXON: Thank you very much, Colonel
7 Beyer. Are there any questions of the colonel?
8 COMMISSIONER COX: Colonel Beyer, I wonder if we
9 could go back to the capacity issue, and if you could go into
10 some further detail. As you know, one of the other services
11 thought perhaps they should rethink what the needs for their
12 training were. And if you would just walk through what the
13 capacity issues are again, and whether we're close to the
14 edge.
15 LIEUTENANT COLONEL BEYER: The capacity charts are,
16 I believe, B3 and B4. Turn your attention to chart B4.
17 Pilot training capacity is listed on the left table, and
18 reflects the maximum capacity of each base.
19 COMMISSIONER COX: And that's if, on a five-day a
20 week -- one shift, so to speak.
21 LIEUTENANT COLONEL BEYER: No, that is the maximum
22 capacity. In other words, if you are going full bore,

1 working a lot of weekends, because you will have weather
2 attrition during the week. And remember that weekends are
3 when you're flying those cross-country training missions. So
4 once you get to 95 percent of that number, you're going to
5 exasperate your capacity problem because things start to
6 break down, in terms of training effectiveness and safety.
7 So that number is really 100 percent. That's a
8 maximum. And you might be able to get more than that over a
9 year's time. But you can't operate that way continuously.
10 COMMISSIONER COX: I see.
11 LIEUTENANT COLONEL BEYER: So that is a true
12 reflection of the maximum capacity of that base.
13 COMMISSIONER COX: Okay. So the total maximum
14 capacity, 1,228.
15 LIEUTENANT COLONEL BEYER: Correct.
16 COMMISSIONER COX: And the requirement --
17 LIEUTENANT COLONEL BEYER: On the requirement
18 side --
19 COMMISSIONER COX: This is their version of core
20 requirement or something, adds up to --
21 LIEUTENANT COLONEL BEYER: The requirement is 1078
22 right now, giving you 150 excess. The Air Force states that

1 they need 100 of those slots during the period of 2001 to
2 2011, when they will be transitioning to the new joint
3 primary aircraft training system aircraft. And they use 39
4 slots to transition instructors from the T-37 to the T-38, as
5 requirements dictate. For example, instructor pilots being
6 reassigned or getting out of the Air Force.
7 COMMISSIONER COX: So, now at 139 -- we're 150
8 excess, minus 139.
9 LIEUTENANT COLONEL BEYER: Correct.
10 COMMISSIONER COX: So we're at 11 excess. And are
11 those numbers -- obviously you don't know exactly where we're
12 going to be a number of years from now -- but that training
13 capacity, you think it tends to be a little high, a little
14 conservative?
15 LIEUTENANT COLONEL BEYER: I think the training
16 capacity --
17 COMMISSIONER COX: Does the kind of training plan
18 that comes in make a difference?
19 MR. CIRILLO: Just as a comment, a reminder that
20 the excess capacity that's shown -- and correct me if I'm
21 wrong, Merrill -- includes the 52 percent growth increase
22 between the years 1996 and 2002.

1 COMMISSIONER COX: Mm-hmm.

2 MR. CIRILLO: As General Fogleman did express some
3 concerns in the area, he talked about a potential increase in
4 pilot hiring by the airlines. He talked about a potential
5 increase from requirements by the reserves. So conservative
6 depends on the perspective. This right here does consider
7 that growth in the next six years. But as you can see, it's
8 right at the level that the Air Force would be comfortable
9 with, but no more than that with the closure of one.

10 You might want to expand that a little bit more,
11 Merrill, as far as the requirements.

12 LIEUTENANT COLONEL BEYER: The chief of staff said
13 that he is depending on some assumptions that they've made in
14 their requirements model to hold true. And if they do hold
15 true, he is comfortable that they can meet their requirements
16 with the remaining capacity achieved through three bases
17 through the five year -- the future year defense plan. But
18 after that, because of uncertainty with a number of
19 requirements, particularly in the area of the reserve
20 component, he is not so sure.

21 COMMISSIONER COX: And the margin of error here
22 could be really low.

1 LIEUTENANT COLONEL BEYER: A couple of assumptions
2 being wrong on the part of the Air Force could put the
3 requirements up a little bit.
4 CHAIRMAN DIXON: Are there any further questions?
5 COMMISSIONER DAVIS: Yes, sir.
6 CHAIRMAN DIXON: Commissioner Davis.
7 COMMISSIONER DAVIS: I have a couple. I'd like to
8 take that a little bit farther. The Air National Guard
9 training requirements are already built into there; isn't
10 that correct? It's about two per squadron, per year.
11 LIEUTENANT COLONEL BEYER: That's correct.
12 COMMISSIONER DAVIS: And what would be the maximum
13 for Air Force reserve -- the maximum requirements for Air
14 Force reserve? It's not much more than that, because they're
15 fairly balanced; is that not correct?
16 LIEUTENANT COLONEL BEYER: The Air Force reserve
17 squadrons do not have the ability to absorb new pilots at the
18 same rate that the active duty does, because of the nature of
19 flying that they do. They have part-time pilots that come
20 in. They don't have the continuity with instructor pilots
21 there to take new pilots in out of pilot training and provide
22 the seasoning and the training they would need to get to

1 combat ready status.

2 So they're limited in the number of new pilots that

3 they can absorb.

4 COMMISSIONER DAVIS: And additionally, the 52

5 percent -- a lot of them are what we call backed pilots or

6 backed UPTs, that have not gone to pilot training yet. And

7 that considers all those?

8 LIEUTENANT COLONEL BEYER: The backed pilots will

9 be out of the pilot population over the next two years.

10 COMMISSIONER DAVIS: Okay.

11 LIEUTENANT COLONEL BEYER: So we're talking about

12 the next six years. So the last four years of that, that

13 will not be an issue.

14 COMMISSIONER DAVIS: Now, there are two UPT bases

15 that are not on here. You have the NJEPT at Wichita Falls,

16 and you have the PIT capability. Is there service capacity

17 in those two? B14.

18 LIEUTENANT COLONEL BEYER: The Air Force pilot

19 training requirement of 1078, shown on B4, is that portion of

20 the total requirement assigned to the four UPT bases under

21 consideration. The remaining requirement is assigned to

22 Sheppard Air Force Base, and is shown on this chart. And

1 that's 125; and that includes both the active and the reserve
2 component.
3 Sheppard's the site of the Euro-NATO Joint Jet
4 Pilot Training Program, and in accordance with international
5 agreements is excluded by the Air Force from consideration
6 here. I'm showing it because to complete the picture of
7 capacity in undergraduate pilot training. As this chart
8 shows, if you compare requirements to capacity, they have
9 about 11 percent excess.
10 But I'd like to point out that pilot production at
11 Sheppard can only increase by 19 more pilots, in order to
12 remain below that 95 percent capacity that I talked about
13 before. So 11 percent may look like a lot, but it's really
14 not there. Sheppard effectively is now at maximum capacity.
15 COMMISSIONER DAVIS: Well, then, I guess it goes
16 back to Commissioner Cox's question. Do we have adequate
17 capability to meet requirements?
18 MR. CIRILLO: There's a reasonable comfort level is
19 what we can say; a reasonable comfort level.
20 COMMISSIONER DAVIS: And that's what the Air Force
21 tells us?
22 MR. CIRILLO: General Fogleman did express some

1 concerns if some of the assumptions that he bases his numbers
2 on, that the Air Force bases their numbers on, don't come
3 true, if the hiring goes up, they could be dipping into their
4 excess capacity.
5 CHAIRMAN DIXON: Any further questions? Any
6 further comments? Is there a motion?
7 COMMISSIONER KLING: Yes, sir, Mr. Chairman.
8 CHAIRMAN DIXON: Commissioner Kling.
9 M O T I O N
10 COMMISSIONER KLING: I might say that this is
11 another case where we hate to have to pick and choose.
12 However, downsizing, we know, is necessary. And having said
13 that, Mr. Chairman, I move the commission find the Secretary
14 of Defense did not deviate substantially from the force
15 structure plan and final criteria; and therefore, the
16 commission adopt the following recommendation of the
17 Secretary of Defense.
18 Close Reese Air Force Base. The 64th flying
19 training wing will inactivate, and its assigned aircraft will
20 be redistributed or retired. All activities and facilities
21 of the base, including family housing and the hospital, will
22 close.

1 CHAIRMAN DIXON: I second the motion. Any comments
2 or questions? Counsel will call the role.
3 MS. CREEDON: Commissioner Kling
4 COMMISSIONER KLING: Aye.
5 MS. CREEDON: Commissioner Montoya.
6 COMMISSIONER MONTOYA: Aye.
7 MS. CREEDON: Commissioner Robles.
8 COMMISSIONER ROBLES: Before I vote, I have to say
9 that never having spent much time on Air Force bases for
10 undergraduate pilot training, I was struck by the absolute
11 magnificent quality of every base in that system. And this
12 is a hard call, and I guess that if the consensus is 12
13 percent excess capacity is okay, reasonably okay,
14 reluctantly, I'll say aye.
15 MS. CREEDON: Commissioner Steele.
16 COMMISSIONER STEELE: Aye.
17 MS. CREEDON: Commissioner Cornella.
18 COMMISSIONER CORNELLA: Nay.
19 MS. CREEDON: Commissioner Cox.
20 COMMISSIONER COX: No.
21 MS. CREEDON: Commissioner Davis.
22 COMMISSIONER DAVIS: Aye.

1 MS. CREEDON: Mr. Chairman.

2 CHAIRMAN DIXON: Aye.

3 MS. CREEDON: Mr. Chairman, the votes are six ayes

4 and two nays.

5 CHAIRMAN DIXON: Six ayes, two nays, and the

6 Department of Defense's recommendation on Reese is sustained

7 by the adopted motion. Now, may I inquire of counsel and

8 staff, Columbus, Laughlin and Vance are all add-ons, are they

9 not?

10 MR. CIRILLO: That's correct, Mr. Chairman.

11 CHAIRMAN DIXON: Now, I'm going to inquire if

12 there's any commissioner who has any objection to the chair

13 declaring that there's not sufficient support on the

14 commission to act further on these three. Is there any

15 question by anybody? Then under the authority vested in me

16 as chairman, these three bases being add ons, and the

17 necessary support not being present to consider them present,

18 the chair declares Columbus Air Force Base, Mississippi;

19 Laughlin Air Force Base, Texas; and Vance Air Force Base,

20 Oklahoma, remain open. Satellite control.

21 MR. CIRILLO: Yes, sir. Mr. Chairman, if we turn

22 to Tab C, we'll cover the satellite control category. Chart

1 C1 and the map at C2 represent the two bases in that
2 category. Mr. Mark Pross will discuss the Secretary's
3 recommendation to realign Onizuka Air Station, as well as a
4 related redirect for Lowry Air Force Base, in Colorado.
5 MR. PROSS: Mr. Chairman and commissioners, DOD
6 recommended realigning Onizuka Air Station. The 750th space
7 group will inactivate, and its functions will relocate to
8 Falcon Air Force Base, Colorado. Detachment two of the space
9 and missile systems center of the Air Force material command
10 will also relocate to Falcon.
11 Some tenants will remain in existing facilities.
12 All activities and facilities associated with the 750th space
13 group, including family housing, the clinic, commissary, and
14 base exchange, will close. DOD justified realigning
15 CHAIRMAN DIXON: Pardon me, Mr. Pross. Ladies and
16 gentlemen, there's beginning to be a little stirring in the
17 back of the hall. And we're moving along pretty quickly
18 here. I'd appreciate it if the visitations could take place
19 outside. Mr. Pross.
20 MR. PROSS: Thank you, sir. DOD justified
21 realigning Onizuka since the Air Force has one more satellite
22 control installation that it currently needs to support

1 projected future Air Force satellite control requirements.
2 Onizuka ranked lower than Falcon in the satellite control
3 category, when all eight criteria are applied. As you can
4 see on this slide, the Air Force ranked Onizuka in tier
5 three.
6 Finally, Falcon has superior protection against
7 current and future electronic encroachment; reduced risk
8 associated with security and mission disrupting
9 contingencies, such as emergencies and natural disasters; and
10 significantly higher closure costs. Mr. Chairman and
11 commissioners, it may be helpful to describe briefly
12 Onizuka's mission.
13 Onizuka is a space satellite control installation
14 in Sunnyvale, California, that provides technical support for
15 national space operations. Onizuka conducts telemetry
16 monitoring and tracking, and provides controlling commands to
17 operational defense assets, space vehicles and satellites,
18 orbiting the earth. Major units include the 750th space
19 group, which operates and maintains a worldwide network of
20 nine remote satellite tracking stations that support over 90
21 DOD satellites, and detachment two, which is the designated
22 DOD facility for space research, development, test and

1 evaluation.

2 The 750th is responsible for the operations,
3 maintenance, and logistical support of the Air Force
4 satellite control network. It also supports NASA's space
5 shuttle, NATO, and allied nations' satellites. It schedules,
6 allocates and configures Air Force satellite control network
7 common user resources, and resolves resource allocation
8 conflicts. Finally, the 750th provides a host base operating
9 support at Onizuka.

10 Next slide, please. The overriding issue
11 concerning this realignment are the national security
12 implications of satellite control redundancy, single node
13 versus dual node. DOD's position is that that backup
14 capability and redundancy for controlling individual
15 satellites will not be lost with this realignment. Although
16 the United States still has a requirement for satellite
17 control redundancy, two fully functional satellite control
18 nodes; i.e., at Onizuka and at Falcon are no longer required.

19 The community argues Onizuka's mission objectives
20 require a robust, flexible, responsible and enduring
21 satellite control capability. Backup resources are required
22 to eliminate single failure points and provide continuous

1 uninterrupted control capability in the event of war, natural
2 disaster or sabotage.
3 The community argues an Air Force policy directive
4 also requires geographically separated backup satellite
5 control capability. Staff analysis indicates backup
6 capability and redundancy for satellites will not be lost
7 with this realignment.
8 Backup capability for individual satellites could
9 be provided to payload command and control, geographically
10 separate mission processing facilities, the nine remote
11 satellite tracking stations around the world or mobile
12 assets.
13 Mr. Chairman and Commissioners, the proposed BRAC
14 1995 action to realignment Onizuka will not in any way
15 increase risk associated with satellite control or reduce
16 redundancy.
17 The next major issue on the slide is a single node
18 operation study. That's an issue that emerged recently
19 because of its existence and the cost estimates contained in
20 this study. And at this time will staff please pass out
21 copies of that study?
22 This study was conducted in 1993 and 1994 by the

1 Air Force Material Command, the Air Force Space Command and
2 the classified tenants at Onizuka to assess the impact of
3 closing Onizuka and to estimate the cost and operational risk
4 of closure.
5 The community argues the relevant issue for the
6 Commission's consideration is the cost estimates. The
7 community concluded that the Air Force has planned to close
8 Onizuka ever since 1994. They also conclude that all costs
9 associated with moving Detachment 2 and the classified
10 tenants belong in the cost calculations of DOD's
11 recommendation.
12 Finally, they argue that the one-time cost to close
13 Onizuka are $699 and a return on investment of 27.1 years.
14 Staff analysis shows a single node operation study was not
15 part of the BRAC 1995 analysis because, one, it was conducted
16 before the BRAC 1995 process, and two, its assumptions were
17 fundamentally different from DOD's recommendation.
18 The study was based on the complete replication of
19 all Onizuka facilities and brand new facilities while the
20 BRAC 1995 realignment targeted only the consolidation of
21 redundant activities utilizing excess capacity where
22 available.

1 Detachment 2 has two components, only one of which
2 belongs in the cost calculation. The satellite control
3 flight operations and engineering component consists of 17
4 personnel that would relocate to Falcon under the proposed
5 realignment and consolidate with Detachment 5, which is
6 already there.
7 The RDT&E component consists of 331 personnel and
8 is being relocated to Kirtland Air Force Base to consolidate
9 the Space and Missile Center's RDT&E functions, which is a
10 force structure move.
11 This consolidation is not BRAC related, nor does it have any
12 affect on the Onizuka realignment. Nonetheless, this
13 consolidation is on hold pending BRAC action.
14 In the single node operation study, the classified
15 tenets account for 520 million of the 699 million cost to
16 close. Under the proposed realignment, only one classified
17 mission would be required to locate.
18 The other classified missions will remain at
19 Onizuka until they expire. The cost for realigning the one
20 classified mission is 80.2 million and was included in the
21 total 121.3 million realignment cost.
22 The current return on investment is seven years

1 without relocation, and the classified mission, that's about
2 a year to a year and a half. The Air Force plan is to
3 eventually close Onizuka once all the classified tenants'
4 missions phase out or move out by the Year 2004 or later.
5 Let me just summarize quickly that the single node
6 operation study is not connected to ongoing multi-year
7 upgrade efforts for the Air Force satellite control network.
8 These are not the result of the Onizuka realignment and are
9 required with or without the realignment.
10 Mr. Chairman and Commissioners, the final two
11 issues deal with excess capacity. As I mentioned, the Air
12 Force has one more installation than it needs. The community
13 argues that both Falcon and Onizuka are required, and staff
14 analysis shows that the classified tenants will not phase out
15 or move their missions until after the BRAC '95 time frame.
16 Thus, DOD's recommendation is for a realignment and not a
17 closure.
18 Finally, if Onizuka closes its family housing and
19 other support functions, the whole concept of a federal
20 airfield will be severely damaged. The Air Force, basically,
21 wants to eliminate its enlisted personnel so it can provide
22 less base operating support.

1 Staff analysis shows that the Air Force wants to
2 convert operations to civilian control and eliminate
3 personnel so it can close all housing and related support
4 facilities at the Onizuka annex located at Moffett Federal
5 Airfield.
6 CHAIRMAN DIXON: Are there any questions of
7 Mr. Pross?
8 COMMISSIONER COX: Yes, Mr. Chairman. How many
9 people are with the 750th? There are several missions here,
10 but how many people are with the 750th today, not the rest of
11 the classified missions?
12 LIEUTENANT COLONEL PROSS: The 750th includes 31
13 officers, 52 enlisted, 47 civilian and 127 contractor.
14 COMMISSIONER COX: So, I'm sorry, without the
15 contractor, about 100?
16 LIEUTENANT COLONEL PROSS: About 120.
17 COMMISSIONER COX: About 120 for the 750th. And
18 most of the savings, as you mentioned, the one, the three --
19 excuse me. There are several missions, classified missions
20 here, some of which will fully themselves out eventually,
21 another of which will be moved under this proposal, and
22 that's the 80 million.

1 How much of the savings of this proposal come from
2 moving the classified mission?
3 LIEUTENANT COLONEL PROSS: The classified mission
4 does not generate any manpower savings. However, of the
5 approximately $8.9 million in current operating cost at
6 Onizuka for military housing, medical clinic, family support
7 services and what not, only about 654,000, or 7.4 percent,
8 can be attributed to the classified mission.
9 COMMISSIONER COX: So most of the savings --
10 virtually all of the savings and not so much of the cost, as
11 you mentioned, come from getting rid of duplication between
12 Falcon and Onizuka?
13 LIEUTENANT COLONEL PROSS: Yes. The savings come
14 from the consolidation of the 750th with its counterpart at
15 Falcon, and a smaller savings come from elimination of some
16 base operating support, but primarily it's from the
17 consolidation, not from the classified mission.
18 COMMISSIONER COX: As I understand it, the DOD, and
19 maybe this is just semantics, is not saying that they don't
20 need a dual node capacity anymore but that they will leave
21 the basis for that dual node capacity at Onizuka until they
22 are able to develop whatever architecture allows them to do

1 it without it?

2 LIEUTENANT COLONEL PROSS: That's correct.

3 Although the personnel will relocate to Falcon, the equipment

4 will be left at Onizuka in what's called a warm backup

5 capability that could be quickly manned in case of an

6 emergency.

7 COMMISSIONER COX: Right.

8 LIEUTENANT COLONEL PROSS: The upgrade probably

9 will not come on line until 2001 or 2002. This is a massive

10 upgrade in the Air Force base control network.

11 COMMISSIONER COX: Right. The network upgrade

12 won't be on until 2001, 2002.

13 LIEUTENANT COLONEL PROSS: That's correct.

14 COMMISSIONER COX: That doesn't necessarily mean

15 that the ability to do a dual node backup will be completed

16 then?

17 LIEUTENANT COLONEL PROSS: The backup and

18 redundancy could be provided now through these other major --

19 as I mentioned, the processing centers, the remote tracking

20 stations, mobile units, they, basically, can keep -- the ball

21 is in the air, if you will, until the network can be

22 reconstructed.

1 COMMISSIONER COX: Right. The command and control
2 backup is available through the other, but the network is
3 not?
4 LIEUTENANT COLONEL PROSS: That's right. Network
5 backup would not be available --
6 COMMISSIONER COX: And that's the reason why they
7 want to keep that ability to do it?
8 LIEUTENANT COLONEL PROSS: That's right.
9 COMMISSIONER COX: I guess part of my concern with
10 this, and we went through this before on another issue, we
11 have limited BRAC funds that can be available, and all of the
12 services are anxious to make sure that there is enough money
13 to close these bases.
14 The one-time costs are very high, as we mentioned
15 before. The Air Force based their whole strategy on
16 downsizing the ALCs on the inability to cover the one-time
17 costs. We just voted through a series of motions to spend
18 one-time costs of a little over $54 million for a net loss of
19 savings.
20 So we're using BRAC funds, in my view, to do some
21 things that really weren't intended by BRAC. What we're
22 seeing here, and at least there are some savings out of this

1 one, is that we're losing $80 million of BRAC funds to move a
2 mission with no savings.
3 The savings -- and a mission that is going to be at
4 a base that at most can't close until 2003, 2004, maybe even
5 completely close longer than that if the networking
6 availability is not available in 2003 or 2004 when these
7 other missions complete what they're doing.
8 The big savings here are coming from the 750th, and
9 actually, that one-time cost isn't that high. But as a
10 practical matter, the way you're getting those savings is
11 because you've got duplicative people in both Onizuka and
12 Falcon, and right now they back each other up, and they don't
13 believe that you need those people to back each other up.
14 I don't believe you need to do this whole move and
15 do it under BRAC, if what you can do is you just don't need
16 as many people as you have today in Onizuka.
17 So I'm concerned that even any detriment on the
18 dual node backup -- and as I understand it, at least as to
19 the networking, if there is a problem, it would take some
20 period of time to get a networking dual node backup once we
21 move these people -- we can get much of the savings by simply
22 removing the duplicative people between Onizuka and Falcon,

1 and we don't have to spend $80 million to move someone which
2 has no savings, which is not to say that ultimately the goal
3 isn't to close this.
4 It's very clear that the goal is to close this, and
5 there is some thought that if we spend $80 million now maybe
6 ten years from now we can close Onizuka. I just question
7 whether that's a wise use at this moment of very limited BRAC
8 dollars.
9 LIEUTENANT COLONEL PROSS: According to the Air
10 Force, if you moved out the classified mission that's going
11 to continue for some indefinite period of time -- it costs
12 $80 million -- that would lay the groundwork, if you will,
13 for eventually closing Onizuka once the other classified
14 missions either phase out or fly out.
15 COMMISSIONER COX: Absolutely.
16 LIEUTENANT COLONEL PROSS: The annual recurring
17 savings are about $16.1 million per year. The return on
18 investment is about seven years. Without the classified
19 mission, that ROI would be one or one and a half years.
20 COMMISSIONER COX: No. I understand. That's what
21 I'm saying. We're paying to move the classified mission,
22 which is fine. The goal is, in the long run, to save money,

1 we hope, out of moving that classified mission, because you
2 ultimately could close Onizuka.
3 But I just question when you've got an Air Force
4 saying you can't make us spend these one-time dollars,
5 because we have a real short-term crisis here, why we're
6 allowing the BRAC to be used in a number of these cases to
7 make decisions, frankly, that they could make themselves and
8 that shouldn't be using BRAC funds. So I have a concern
9 about this.
10 CHAIRMAN DIXON: All right. Are there any further
11 statements by any other Commissioner or any questions by any
12 other Commissioner? Is there a motion?
13 COMMISSIONER MONTOYA: I want to ask a question,
14 Mr. Chairman. CHAIRMAN DIXON: Commissioner Montoya.
15 COMMISSIONER MONTOYA: A very simple question.
16 Somewhere in your dissertation this fact is buried, I think.
17 It's very simply, when -- in the chronology of closing, when
18 would the Air Force spend most of their one-time costs? This
19 goes to what Mrs. Cox has been saying, and I share her
20 concern given what we handed the Air Force this morning.
21 When do you expect most of that money to be spent?
22 LIEUTENANT COLONEL PROSS: I think this would be in

1 the 1998 to 2000 time frame.

2 COMMISSIONER MONTOYA: It would be out that far?

3 LIEUTENANT COLONEL PROSS: Yes, sir.

4 COMMISSIONER MONTOYA: Thank you.

5 CHAIRMAN DIXON: Thank you. Are there any other

6 questions?

7 COMMISSIONER KLING: Just a fast one, sir?

8 CHAIRMAN DIXON: Commissioner Kling.

9 COMMISSIONER KLING: Are you comfortable with the

10 figures that you have that you're looking at, the cost to

11 close and savings?

12 LIEUTENANT COLONEL PROSS: There was a site survey

13 done after the original COBRA came out, and the annual

14 recurring savings went from 30.3 million down to 16.1

15 million. The cost to close went from 124 million to 121

16 million. So they didn't change very much. Return on

17 investment stayed at about seven years.

18 CHAIRMAN DIXON: Any further questions of

19 Mr. Pross?

20 (No response.)

21 CHAIRMAN DIXON: Any further statements by any

22 Commissioner?

1 (No response.)

2 CHAIRMAN DIXON: Is there a motion?

3 COMMISSIONER COX: I have a motion.

4 CHAIRMAN DIXON: Commissioner Cox.

5 M O T I O N

6 COMMISSIONER COX: The Commission find the
7 Secretary of Defense deviated substantially from Final
8 Criteria 1, 4 and 5 and the Force Structure Plan, and
9 therefore the Commission reject the Secretary's
10 recommendation on Onizuka Air Station California and instead
11 adopt the following recommendation:

12 Retain Onizuka Air Station, including all base
13 activities and facilities. The Commission finds this
14 recommendation is consistent with the Force Structure Plan
15 and Final Criteria.

16 CHAIRMAN DIXON: Thank you, Commission, Cox. Is
17 there a second to the motion?

18 COMMISSIONER MONTOYA: Second.

19 CHAIRMAN DIXON: Commissioner Cox moves and
20 Commissioner Montoya seconds that motion to reject the
21 recommendation of the Secretary of Defense. Are there any
22 further comments?

1 (No response.)

2 CHAIRMAN DIXON: Counsel will call the roll.

3 MS. CREEDON: Commissioner Cox?

4 COMMISSIONER COX: Aye.

5 MS. CREEDON: Commissioner Davis?

6 COMMISSIONER DAVIS: No.

7 MS. CREEDON: Commissioner Kling?

8 COMMISSIONER KLING: No.

9 MS. CREEDON: Commissioner Montoya?

10 COMMISSIONER MONTOYA: Aye.

11 MS. CREEDON: Commissioner Robles?

12 COMMISSIONER ROBLES: Nay.

13 MS. CREEDON: Commissioner Steele?

14 COMMISSIONER STEELE: Aye.

15 MS. CREEDON: Commissioner Cornella?

16 COMMISSIONER CORNELLA: No.

17 MS. CREEDON: Commissioner Davis?

18 CHAIRMAN DIXON: You asked Mr. Davis.

19 MS. CREEDON: Oh, I'm sorry. I'm sorry. Mr.

20 Chairman?

21 CHAIRMAN DIXON: No.

22 MS. CREEDON: Mr. Chairman, the vote is 3 ayes and

1 5 nays.

2 CHAIRMAN DIXON: A reversal of that, of course,

3 would support the Secretary. Now, does the Commissioner want

4 another motion? Perhaps we should have another motion. I

5 believe it's the first time it has occurred today. Is there

6 another motion, Commissioner Davis?

7 COMMISSIONER DAVIS: Yes, sir.

8 M O T I O N

9 COMMISSIONER DAVIS: I move the Commission find the

10 Secretary of Defense did not deviate substantially from the

11 Final Criteria and the Force Structure Plan, and therefore

12 the Commission adopt the following recommendation of the

13 Secretary of Defense:

14 Realignment Onizuka Air Station. The 750th Space

15 Group will inactivate, and its functions will relocate to

16 Falcon Air Force Station Colorado. Some tenants will remain

17 in existing facilities. All activities and facilities

18 associated with the 750th Space Group, including family

19 housing and the clinic will close.

20 CHAIRMAN DIXON: I second that motion. Counsel

21 will call the roll.

22 MS. CREEDON: Commissioner Davis?

1 COMMISSIONER DAVIS: Aye.

2 MS. CREEDON: Commissioner Kling?

3 COMMISSIONER KLING: Aye.

4 MS. CREEDON: Commissioner Montoya?

5 COMMISSIONER MONTOYA: Nay.

6 MS. CREEDON: Commissioner Robles?

7 COMMISSIONER ROBLES: Aye.

8 MS. CREEDON: Commissioner Steele?

9 COMMISSIONER STEELE: Nay.

10 MS. CREEDON: Commissioner Cornella?

11 COMMISSIONER CORNELLA: Aye.

12 MS. CREEDON: Commissioner Cox?

13 COMMISSIONER COX: Nay.

14 MS. CREEDON: Mr. Chairman?

15 CHAIRMAN DIXON: Aye.

16 MS. CREEDON: Mr. Chairman, the vote is 5 ayes and

17 3 nays.

18 CHAIRMAN DIXON: And the Commission supports the

19 recommendation of the Secretary of Defense that Onizuka be

20 realigned.

21 MR. CIRILLO: Mr. Chairman, if you'd turn to page

22 C-6, this is another redirect. This is for Lowry Air Force

1 Base. Lowry Air Force Base was closed during the 1991
2 Commission but a cantonment area was left. In that
3 cantonment area was the 1001st Space Systems Squadron. This
4 redirect calls for the inactivation of the Space Systems
5 Squadron.
6 If you go to C-7, it points out the DOD
7 recommendation and the specifics of that recommendation.
8 Included in the recommendation is the fact that some
9 Detachment 1 personnel and equipment will relocate to
10 Peterson Air Force Base --
11 CHAIRMAN DIXON: Mr. Cirillo, would you forgive
12 more interrupting? This is a redirect, and I've inquired of
13 my colleagues, and there is no controversy. Is there a
14 motion by my colleagues regarding Lowry Air Force Base?
15 COMMISSIONER DAVIS: I have a motion.
16 MR. CIRILLO: I do have one issue, and that is the
17 fact that there is an error in the language in this
18 particular --
19 CHAIRMAN DIXON: We're aware of that, Mr. Cirillo.
20 Commissioner Davis.
21 M O T I O N
22 COMMISSIONER DAVIS: Mr. Chairman, I move the

1 Commission find the Secretary of Defense deviated
2 substantially from Final Criteria 2, and therefore the
3 Commission reject the Secretary's recommendation on Lowry Air
4 Force Base and instead adopt the following recommendation:
5 Change the recommendation of 1991 Commission
6 regarding the cantonment of the 1001st Space Support Squadron
7 at Lowry Support Center as follows: Inactivate 1001st Space
8 Systems Squadron now designated Detachment 1 Space System
9 Support Group and close all related facilities.
10 Some Detachment 1 personnel and equipment will
11 relocate to Peterson Air Force Base Colorado under Space
12 Systems Support Group while the remainder of the positions
13 will be eliminated. The Commission finds this recommendation
14 is consistent for the Force Structure Plan and Final
15 Criteria. And I would ask counsel does that include --
16 CHAIRMAN DIXON: I second the motion, and I'm
17 advised by counsel the language is in there. Is that right,
18 Mr. Cirillo?
19 MR. CIRILLO: Right.
20 CHAIRMAN DIXON: Are there any further comments or
21 questions?
22 (No response.)

1 CHAIRMAN DIXON: Counsel will call the roll.

2 MS. CREEDON: Commissioner Davis?

3 COMMISSIONER DAVIS: Aye.

4 MS. CREEDON: Commissioner Kling?

5 COMMISSIONER KLING: Aye.

6 MS. CREEDON: Commissioner Montoya?

7 COMMISSIONER MONTOYA: Aye.

8 MS. CREEDON: Commissioner Robles?

9 COMMISSIONER ROBLES: Aye.

10 MS. CREEDON: Commissioner Steele?

11 COMMISSIONER STEELE: Aye.

12 MS. CREEDON: Commissioner Cornella?

13 COMMISSIONER CORNELLA: Aye.

14 MS. CREEDON: Commissioner Cox?

15 COMMISSIONER COX: Aye.

16 MS. CREEDON: Mr. Chairman.

17 CHAIRMAN DIXON: Aye.

18 MS. CREEDON: The votes are 8 ayes and 0 nays.

19 CHAIRMAN DIXON: And that's a redirect of Lowry,

20 and again let me point out that I see congressmen and

21 senators in the room. You're going to have to have some kind

22 of a provision in the law, I hope in the DOD authorization

1 bill this year, to help with these changes that BRAC has
2 experienced in the past and that we'll not have the mechanism
3 to do subsequent to this '95 BRAC. Air Force Reserve F-16s.
4 MR. CIRILLO: Mr. Chairman, on Tab D, actually,
5 we'll be discussing in the next two areas the Air Force
6 Reserve category. Just one point out on Tab No. D-1, page D-
7 1, is that the Air Force did not tier these facilities but
8 rather closed them primarily based on cost and geographical
9 considerations.
10 Lieutenant Colonel Merrill Beyer will be discussing
11 the fleet fighter reserve bases, and he'll be followed by
12 Mr. DiCamillo, who will be covering the C-130 bases.
13 LIEUTENANT COLONEL BEYER: I will first discuss
14 capacity. Please refer to Slide D-3. The Base Closure
15 Executive Group sites several concerns with two closures.
16 First, the overriding reason for the Reserve is to recruit
17 qualified personnel to support the Air Force.
18 Second, cutting too deep will be impact combat
19 readiness and peacetime operational capability. For these
20 reasons, the Secretary of Defense supported the closure of
21 one Reserve F-16 base. Please turn to Slide D-4.
22 This chart chose the bases in the Air Force Reserve

1 F-16 category now under consideration. The Secretary of
2 Defense's recommendation for closure is Bergstrom. Carswell
3 and Homestead were added by the Commission for consideration
4 as additions or substitutions. In addition, Homestead has
5 two redirects from the '93 Commission.
6 Please turn to Slide D-5. This chart compares the
7 bases under consideration. The Secretary of Defense's
8 recommendation is to close Bergstrom. According to DOD,
9 closure of the Bergstrom Air Reserve Base is the most cost-
10 effective option.
11 Carswell is a cost-effective installation for the
12 Reserves. If there are no more questions, I will -- if there
13 are no questions, I will address the issues relevant to each
14 base in the Reserve F-16 category.
15 COMMISSIONER COX: Colonel Beyer?
16 LIEUTENANT COLONEL BEYER: Yes.
17 CHAIRMAN DIXON: Commissioner Cox.
18 COMMISSIONER COX: I wonder if I might ask about
19 the one-time costs and annual savings. As I understand it,
20 there is an issue on both Bergstrom and Homestead, and so we
21 should at least talk about it.
22 Both of them are on bases where at the moment they

1 are paying higher costs than they might pay, almost for sure
2 will pay, when they become tenants on those particular
3 facilities. That's sooner rather than later at Bergstrom in
4 a year or so but expected at some point at Homestead. I
5 wonder if you might speak to that.
6 LIEUTENANT COLONEL BEYER: Both of these Air
7 Reserve Bases will become Air Reserve Stations when the
8 airfield facilities revert over to the local communities, and
9 both will benefit from the same reductions in costs. The
10 COBRA is a comparative model, and our determination is that
11 the comparisons remain valid in the numbers here.
12 COMMISSIONER COX: They remain valid as to each
13 other?
14 LIEUTENANT COLONEL BEYER: Correct, between
15 Homestead and Bergstrom.
16 COMMISSIONER COX: Right, but not necessarily as to
17 Carswell. Do we expect Carswell's annual costs to go down
18 significantly in the next few years?
19 LIEUTENANT COLONEL BEYER: No, but Carswell is
20 already a federal installation, and if we close the -- if we
21 deactivate the 301st Fighter Wing, the installation does not
22 close.

1 COMMISSIONER COX: Right.

2 LIEUTENANT COLONEL BEYER: There are no benefits

3 received by the DOD in that.

4 MR. CIRILLO: Further, that installation, the

5 Carswell unit, has been there since the '91 Commission. So

6 they've already been there for --

7 COMMISSIONER COX: Believe me, I'm well aware of

8 that one. We put a few in there ourselves in 1993. I'm just

9 trying to get to the fact that at Bergstrom for sure in a

10 year the costs of that base station then will go down because

11 the airport will open. At Homestead, we expect that to

12 happen, although it is not as predictable in timing. Is that

13 correct?

14 MR. CIRILLO: As Lieutenant Colonel Beyer said, on

15 a balance, that's a correct statement. When the cargo

16 airport does go over and takes operation at Bergstrom Air

17 Force Base, there will still be some costs to the borne by

18 the Air Force.

19 COMMISSIONER COX: Sure.

20 MR. CIRILLO: For example, fire protection and

21 rescue, and we're not exactly sure what that cost will be,

22 but it won't go down as immediately as 1996. There will

1 still be an increased cost because they'll still be providing
2 that assistance.
3 LIEUTENANT COLONEL BEYER: I should also point out
4 that an agreement with the Base Conversion Agency in Dade
5 County includes a $1.4 million subsidy by Dade County for the
6 Homestead ARB. So that will come right off the base
7 operating support costs for the Air Force.
8 COMMISSIONER COX: Okay.
9 COMMISSIONER DAVIS: Can I do a follow-on on both
10 of those? What will those costs come down to, the one-time
11 costs -- or the annual savings?
12 LIEUTENANT COLONEL BEYER: A ballpark would be
13 about $4 million a year.
14 COMMISSIONER DAVIS: Each?
15 COMMISSIONER COX: Each.
16 LIEUTENANT COLONEL BEYER: Each.
17 COMMISSIONER DAVIS: And that would include the
18 $1.4 million subsidation by Dade County?
19 LIEUTENANT COLONEL BEYER: The $1.4 million subsidy
20 would be on top of that.
21 COMMISSIONER DAVIS: So it would be 5.something at
22 Homestead and 4 million at Bergstrom. Okay.

1 CHAIRMAN DIXON: Any further questions?

2 COMMISSIONER ROBLES: Yes. Colonel Beyer, just a

3 quick question.

4 CHAIRMAN DIXON: Commissioner Robles.

5 COMMISSIONER ROBLES: Did I understand you -- I'm

6 sure I did but just clarify -- the Air Force position you

7 said was that they close one of those F-16 bases, not two or

8 more?

9 LIEUTENANT COLONEL BEYER: That's correct.

10 COMMISSIONER ROBLES: And you didn't give any sort

11 of valid judgment from a staff point of view. Do you think

12 that is the correct analysis, that they should only close

13 one? So we're really trying to find out which one of those

14 three to close?

15 LIEUTENANT COLONEL BEYER: Staff finds that that is

16 a correct assessment that they should only close one.

17 COMMISSIONER MONTOYA: I have a comment, Mr.

18 Chairman.

19 CHAIRMAN DIXON: Commissioner Montoya.

20 COMMISSIONER MONTOYA: This issue almost turned

21 into a tale of two Texas cities with a famous promise in

22 between, and I must commend both cities for being very

1 straightforward, very entrepreneurial on this issue.

2 But I want the record to show that my assessment

3 is, one, the military value of creating this -- continuing to

4 create this joint base, Reserve base at Carswell, has

5 tremendous appeal, and two, the promise -- when you look at

6 the language very carefully and look at the whole tape, there

7 is some ambiguity in the promise.

8 At the minimum it says that the fighter wing will

9 stay there through the end of 1996, at least through the end

10 of 1996, and that's well within the BRAC time period in which

11 one would close, and it could remain that long to meet that

12 promise if it really was needed and then move.

13 So in the final analysis, I think that the country

14 is best served by creating that joint Reserve base at

15 Carswell.

16 CHAIRMAN DIXON: I thank Commissioner Montoya. Are

17 there any further comments?

18 COMMISSIONER COX: Mr. Montoya, if I might discuss

19 that further, I certainly agree with the value of the

20 Carswell Air Force Base and would not in any way suggest that

21 we change Carswell.

22 I feel like I have to speak as to the '91 and '93

1 BRAC recommendations at Bergstrom because I was very involved
2 in them, and I think I have a better idea than almost anyone
3 on what they are and what they meant, which is not to say
4 that I believe in any way we should try to move the reserve
5 out of Dallas.
6 This is a Bergstrom-only issue or, perhaps, a
7 Bergstrom versus Homestead issue, but in any case, in my
8 mind, it's not a Carswell issue. And that is, in 1991, the
9 DOD and the BRAC indicated that if, in closing Carswell Air
10 Force Base, the community were prepared to build an airport
11 and become a host to that reserve, that, in fact, that would
12 be available but that they would have to make an indication
13 that they were prepared to do that by a certain date in 1993
14 and that, in fact, they would have to make an airport.
15 They would have to have a viable airport by 1996.
16 That was in the 1991 recommendation. In 1993, several days
17 before the city passed a referendum indicating their interest
18 in making an airport and committing some monies to do so, the
19 Department of Defense indicated that despite the fact that
20 they had made the commitment that they would keep a reserve
21 there if by a certain date the city made that commitment, the
22 DOD recommended that the reserve base be disestablished and

1 moved.

2 The BRAC Commission felt very strongly when several

3 -- when in fact the community passed that indication of

4 support, including monetary value, before the date that was

5 required in the 1991 recommendation and committed to by the

6 Air Force, that that was unfair.

7 What we did, then, is say no to the DOD moving that

8 reserve base at that time, but we kept with the 1991

9 recommendation that just committing to an airport and even

10 starting building an airport was not enough because we were

11 worried that Bergstrom might never get their airport done.

12 It might be 2001, 2002, or it might be like the Denver

13 Airport and take an extra $2 billion and five years later.

14 So we put in our recommendation that the same

15 commitment -- we intended to put the same commitment, same

16 request that it must be done by 1996, and, in fact, Bergstrom

17 is going to open a cargo airport in 1996.

18 They are splitting the operations between a

19 passenger airport and the old airport and the cargo airport

20 because of that commitment that they would have to have a

21 viable open airport by 1996. I feel while there is not a

22 contractual agreement between the government or the BRAC with

1 Bergstrom that they have met every -- so far everything that
2 we said that we would keep a reserve there if they did it.
3 They indicated and they started building an airport
4 by 1993, and it appears that they will have it open by 1996.
5 So does that mean we can't change our mind? No way. Of
6 course we can change our mind, but there was a commitment
7 there, and I feel, certainly as a member of the '93
8 Commission, that there was a commitment there, and that
9 that's what it was.
10 It wouldn't have made any sense, frankly, for us to
11 say we'll keep a reserve unit there until you open an
12 airport. I mean, it had to have been if you open an airport
13 in 1996 we will come it. So I just raise that as a little
14 bit of history.
15 CHAIRMAN DIXON: Thank you, Commissioner Cox.
16 Commissioner Kling.
17 COMMISSIONER KLING: I'd like to follow-up on that,
18 because I happen to believe -- I feel the same way that
19 Commissioner Cox does, and I guess I have to understand it a
20 little bit better, and I heard very well what you said.
21 But if we did give a commitment in '93 that we
22 would maintain this Air Force -- the reserve if they proposed

1 with the airport, and if they are proceeding with it, even
2 though they haven't completed it, I don't understand
3 philosophically how we can turn around now and say, well,
4 we've changed our mind, and we're not going to recognize that
5 anymore.
6 Have you checked into that? Have you looked into
7 this aspect? What's your comments on that?
8 MR. CIRILLO: Yes. There are commitments, but the
9 commitments as far as from a legal basis --
10 COMMISSIONER KLING: Not a legal basis.
11 MR. CIRILLO: From a legal basis --
12 COMMISSIONER KLING: But we did make -- otherwise,
13 everything that is said is correct?
14 MR. CIRILLO: That is correct. Everything that is
15 said is correct, and the issues that are up there the
16 Commissioners are very familiar with, pretty much lays them
17 all out on the line as far as where we are on a legal basis
18 and as far as a moral basis.
19 COMMISSIONER KLING: I happen to --
20 MR. CIRILLO: Force structure --
21 COMMISSIONER KLING: I happen to agree that I have
22 a problem with that, then.

1 MR. CIRILLO: The one issue I would have to comment
2 on is when the commitment was made there was no promises
3 given at that time or it was clarified by the individual that
4 force structure is bound to go down.
5 Since then force structures have gone down from a
6 26 fighter wing equivalent to 20 fighter wing equivalents.
7 Force structure has gone down. The Air Force has in excess,
8 actually, of two fighter units, and they would fix one as the
9 issues that you're familiar with. They're up there.
10 They would get rid of one by deactivating this
11 installation and the other one by conversion actions at
12 another installation, convert a fighter unit to another type
13 of aircraft.
14 CHAIRMAN DIXON: Thank you, Mr. Cirillo.
15 COMMISSIONER KLING: I would have to assume the
16 city also went out and raised money to accomplish and to
17 build this.
18 MR. CIRILLO: They had a referendum to support it.
19 As a matter of fact, the decision to keep the reserve unit
20 there in 1991 was contingent upon the referendum to be signed
21 by, I think it was, June of 1993, and that referendum was
22 taken care of in June.

1 COMMISSIONER KLING: I would only just say in
2 finishing that I'd hate to do business the way that I say one
3 thing and then three years later or two years later I change
4 my mind.
5 CHAIRMAN DIXON: Commissioner Robles.
6 COMMISSIONER ROBLES: Mr. Chairman, I'd like to
7 shift the spotlight over to Homestead Air Force Base. Let's
8 just say that the 482nd Fighter Wing was relocated or
9 inactivated from Homestead Air Force Base. What other
10 missions, tenants or support would be located at Homestead
11 Air Force Base, or would Homestead Air Force Base provide if
12 we took that fighter wing and moved it somewhere else or
13 inactivated it?
14 MR. CIRILLO: The only thing that's at Homestead
15 right now is the unit -- I'm sorry, the fighter unit. There
16 is a redirect in there to bring a unit back into there, into
17 Homestead, that's currently located at Patrick Air Force
18 Base.
19 So if the unit at Homestead Air Force Base was
20 either closed or if the base was closed and the unit was
21 allowed to be either disestablished by the Air Force or moved
22 to another location, that would also relieve an excess of

1 fighter units.

2 COMMISSIONER ROBLES: Are there any other bases in

3 the Air Force structure that only support one unit?

4 MR. CIRILLO: None that I can think of.

5 COMMISSIONER ROBLES: I'm just trying to figure out

6 the rationale for this particular -- and I understand all

7 that went down in 1992, et cetera, but this is 1995 and the

8 future. I'm just trying to --

9 MR. CIRILLO: In 1993, the Commission -- each of

10 the communities -- I'll have to point out each of the

11 communities feel there is a commitment, the Carswell

12 community, the joint Reserve base in '93. We've already

13 talked about this one, the Homestead, their base, their unit

14 was -- after the hurricane, their reserve unit was retained

15 there by the Commission in 1993.

16 Each of them feel that there is a commitment, but

17 you're right in saying that at Homestead there is only that

18 one unit. They do have another Air National Guard unit that

19 pulls alert down there on occasion, but that's in a separate

20 unrelated area.

21 But the only unit there is the reserve unit, and

22 like I mentioned, and the Air Force wants to not move the

1 301st Rescue Unit down there that is currently located at
2 Patrick Air Force Base that was supposed to go back to
3 Homestead as a result of the '93 recommendations.
4 COMMISSIONER ROBLES: So I guess what you're
5 telling me the bottom line is we're trying to sort out here
6 -- or we're trying to sort out which commitment we ought to
7 honor, all three of them, one of them, two of them.
8 MR. CIRILLO: I just call your attention to the
9 Secretary's recommendation. The Secretary's recommendation
10 was one, and then -- the one unit, and that was Bergstrom,
11 and we've had other comments.
12 If you wish to, we could look at the Homestead
13 slide, the issues that have come up since then, as far as the
14 retention of Homestead. They talked about strategic location
15 there.
16 CHAIRMAN DIXON: Now, let's Commissioner Robles
17 pursue his course. Commissioner Robles.
18 COMMISSIONER ROBLES: I would at least like to see
19 those issues with respect to Homestead because, you know, if
20 we're in the business -- our charter has to look at these
21 things and say one of a kind --
22 COMMISSIONER DAVIS: We have not briefed Homestead

1 It does take away a quick response capability,
2 unless you have airplanes standing by, or something, you
3 know, to move those.
4 Now, in terms of the valves which are the critical
5 issue on the catapult, in that the Navy says that they would
6 handle this in some measure by building up the stockpile and
7 be able to move valves back and forth out of stockpiles vis-
8 a-vis fixing them, as they have been doing, a number of them
9 in the past.
10 So essentially, they are keeping the ability to use
11 the catapult there, but they are putting the training in to
12 Pensacola. You would train someone and with the training
13 center there, they go out of the training area; they go out
14 and use the catapult and the seat ejection and everything.
15 Now, they will have to train in Pensacola. They
16 will come TDY to Lakehurst and perform their hands-on with
17 the sleds and the catapults; go back down -- and this is the
18 scenario that is described by the Navy -- go back down to
19 their training. Then they will make one more trip back up,
20 then graduation through that course. So it does require TDY
21 of the students back and forth from Pensacola to Lakehurst,
22 whereas they're right there now.

1 It also involves people moving parts back and forth
2 to see that, if they work, they'll fabricate these parts in
3 Jacksonville then will ship them back up to this area to see
4 that they work properly and, you know, if all things go well,
5 they will. I don't have any reason to think that they won't.
6 But, should there be a problem, they will have to ship them
7 back to Jacksonville and then back up to Lakehurst.
8 So they've just simply made the logistics more
9 difficult. I don't think anyone believes it's impossible.
10 COMMISSIONER MONTOYA: Thank you.
11 CHAIRMAN DIXON: Commissioner Kling.
12 COMMISSIONER KLING: Just following up on that a
13 little bit more, really, what you're saying is we're taking
14 the engineering, we're taking the manufacturing, we're moving
15 those, and yet we're leaving what they would engineer and
16 what they'd manufacture at that spot.
17 As manufacturing in your lifetime -- that has been
18 your business, manufacturing and doing that -- do you think
19 this makes -- are there any major fallacies to this? How do
20 you look upon this?
21 MR. OWSLEY: The function is very clear to me, that
22 they work much better being together. What the Navy does in

1 almost all their recommended closures during this and
2 previous things, is they reduce personnel significantly and,
3 when they close an activity, they don't transfer everybody,
4 so they save some money.
5 We asked: "If you can do without those people, why
6 don't you downsize and keep the Lakehurst complex?"
7 To that, there is the response that there is some
8 synergism and overhead that can be cut out by moving to these
9 other activities, because the Navy is moving, as you will
10 notice, during this whole hearing, when you get to the Navy
11 part, and then the ones involved here are centralizing at
12 Patuxent River, and some in Norfolk, but a lot in China Lake.
13 So you'll see a lot of movement of things to the
14 three primary areas that the Navy believes that they can
15 support in the future. So that was a part of the drive.
16 What they're trying to do is centralize things in those three
17 regions.
18 I think that, when they finally found out that they
19 could not move the catapults and things like that, there may
20 not have been enough time for them to consider leaving the
21 things that they'd already decided to move that supported
22 those activities.

1 MR. FARRINGTON: I'd like to add a comment please
2 -- Les Farrington.
3 I had the opportunity to make two --
4 CHAIRMAN DIXON: Excuse me, Mr. Farrington.
5 MR. FARRINGTON: I'm sorry.
6 CHAIRMAN DIXON: I'm just looking around up here.
7 Mr. Farrington.
8 MR. FARRINGTON: I've had the opportunity to make
9 two visits to Lakehurst and observe the operation in total.
10 It's not just a logistics question, and this is really not a
11 cost issue, of those increased costs putting it way over a
12 savings.
13 This is a problem of design teams being broken up,
14 being able to respond to fleet emergencies and fleet
15 problems, and it's not a manufacturing capabilities. It's a
16 onesie, twosie operation. They design replacement part or
17 modified part, do the drawing, do the prototyping, and then
18 go out to industry and buy the part, if that be the case.
19 So this is a problem of breaking up design teams, I
20 believe, and spreading them out to different places, and not
21 being able to respond to the fleet in a timely manner, which,
22 as you well know, could result in serious consequences if

1 that wouldn't be taken care of.

2 Thank you.

3 CHAIRMAN DIXON: Are there any further comments or

4 questions by commissioners? Who is asking for recognition?

5 Commissioner Cornella.

6 COMMISSIONER CORNELLA: I visited a fair number of

7 installations, and I would say, if I had to put two of them

8 that didn't make any sense on a list, this would be one of

9 the two.

10 This started out that we were going to look at, I

11 think, at closing this installation. It was quickly

12 determined that, as you see the left hand of that slide up

13 there, that the five test tracks, the launch facility test

14 area, and all the things that are located there, it was

15 quickly determined that it just didn't make a lot of sense.

16 So it was decided to try to cantone this and, in

17 that process, I believe the cost of moving all that equipment

18 to Jacksonville was left out. We addressed that at previous

19 hearings, and I'm not going into great detail on that, other

20 than to say that there are substantial costs there that may

21 not be accounted for at this point, that will be incurred if

22 that move is made.

1 I don't dispute that there could be some savings on
2 this by taking the action recommended by the Secretary, but I
3 could also close one wing of the Pentagon and probably
4 produce savings, too. This is not an issue about costs or
5 savings. This is an issue about Criterion No. 1, or military
6 readiness.
7 What this facility does it is produces prototypes
8 in some cases, and procures all single-point items that are
9 dealing with the launch and recovery of aircraft from Naval
10 ships.
11 If the move is made, valves that are remanufactured
12 at Jacksonville will have to be shipped back up to Lakehurst
13 for testing, as I understand it. Right now, that is being
14 done for -- I believe the figure was $66,000 a year; and it's
15 projected that that would cost how many million dollars if
16 that move is made? Is there such a figure that you have?
17 MR. KERNS: There was a figure that was provided by
18 the community, and the Navy felt that it was grossly over-
19 exaggerated, based on travel estimates.
20 COMMISSIONER CORNELLA: But there's no dispute that
21 it would cost more to ship those valves -- which are about as
22 big as a Volkswagen -- to ship those valves from

1 Jacksonville?

2 MR. KERNS: No, there is no dispute.

3 COMMISSIONER CORNELLA: Okay, rather than just

4 taking them across the base and testing those valves?

5 MR. KERNS: Yes.

6 COMMISSIONER CORNELLA: And, if they would have to

7 be retested, they would have to -- or remanufactured, if

8 there was a problem with the valve, it would go all the way

9 back to Jacksonville and back again.

10 You know, as I've said, this recommendation, to me,

11 is one that makes the least sense, and I support rejection of

12 the recommendation.

13 CHAIRMAN DIXON: Thank you, Commissioner Cornella.

14 Are there further comments? Commissioner Steele?

15 COMMISSIONER STEELE: My only comment -- and it was

16 going to be quick -- Mr. Farrington, the community says there

17 will be a 50-day separation, response time, and your staff

18 finding is a longer response time. Do you anticipate a very

19 lengthy response time like the community does?

20 MR. FARRINGTON: Yes, we would.

21 COMMISSIONER STEELE: That concerned you? Okay.

22 MR. FARRINGTON: Yes, we would.

1 COMMISSIONER STEELE: Okay. That was my only
2 question. Thank you.
3 CHAIRMAN DIXON: Thank you. Are there any further
4 questions or statements? Mr. Owsley.
5 MR. OWSLEY: I need to speak for the Navy on this
6 one. If they're willing to spend the money or rotate the
7 valves around, they can have valves near where they need to
8 have them and they can take the additional time without fleet
9 risk, and they made that clear to us. There is money
10 involved with that, but they can protect the schedule -- and
11 I think we need to say that -- with spares being available.
12 CHAIRMAN DIXON: All right. Are there further
13 comments or any further questions?
14 COMMISSIONER COX: I just want to support
15 Commissioner Cornella's comment. I also had the opportunity
16 to visit Lakehurst; and, while it may have started out as a
17 good idea, by the time it got done, it's very clear that
18 operationally and readiness will clearly be affected.
19 CHAIRMAN DIXON: Thank you, Commissioner Cox. Are
20 there any further comments or questions?
21 (No response.)
22 CHAIRMAN DIXON: Is there a motion?

1 COMMISSIONER CORNELLA: I have a motion, sir.

2 CHAIRMAN DIXON: Commissioner Cornella.

3 M O T I O N

4 COMMISSIONER CORNELLA: I move that the Commission

5 find that the Secretary of Defense deviated substantially

6 from Final Criterion 1 and, therefore, that the Commission

7 reject the Secretary's recommendation on Naval Air Warfare

8 Center, Aircraft Division, Lakehurst, New Jersey and,

9 instead, adopt the following recommendation:

10 "The Naval Air Warfare Center, Aircraft Division,

11 Lakehurst, New Jersey will remain open. The Commission finds

12 this recommendation is consistent with the force structure

13 plan and final criteria."

14 CHAIRMAN DIXON: Is there a second?

15 COMMISSIONER COX: Second.

16 CHAIRMAN DIXON: Commissioner Cornella moves and

17 Commissioner Cox seconds a motion to keep open Lakehurst.

18 Are there any further comments?

19 (No response.)

20 CHAIRMAN DIXON: Counsel will call the roll.

21 MS. CREEDON: Commissioner Cornella.

22 COMMISSIONER CORNELLA: Aye.

1 MS. CREEDON: Commissioner Cox.

2 COMMISSIONER COX: Aye.

3 MS. CREEDON: Commissioner Davis.

4 COMMISSIONER DAVIS: Aye.

5 MS. CREEDON: Commissioner Montoya.

6 COMMISSIONER MONTOYA: Aye.

7 MS. CREEDON: Commissioner Robles.

8 COMMISSIONER ROBLES: Aye.

9 MS. CREEDON: Commissioner Steele.

10 COMMISSIONER STEELE: Aye.

11 MS. CREEDON: Mr. Chairman.

12 CHAIRMAN DIXON: No.

13 MS. CREEDON: Commissioner Kling.

14 COMMISSIONER KLING: Aye.

15 MS. CREEDON: Mr. Chairman, the vote is seven ayes

16 and one nay.

17 CHAIRMAN DIXON: The vote is seven ayes and one

18 nay. The motion carries, and Lakehurst remains open.

19 MR. OWSLEY: The next area that we will cover is

20 electronic combat testing facilities.

21 CHAIRMAN DIXON: Wait a minute, now, Mr. Owsley. I

22 think you're thrown us off the Air Force group.

1 MR. LYLES: Tab E in your notebooks, Mr. Chairman.

2 CHAIRMAN DIXON: What?

3 MR. LYLES: Tab E in your notebooks.

4 CHAIRMAN DIXON: Okay. Air Force Installations.

5 MR. OWSLEY: And the first group up here is

6 electronic combat testing facilities. We're going to talk

7 about three installations as a group, because of their inter-

8 relation to electronic combat testing. The three

9 installations are Eglin, REDCAP, and AFEWES.

10 DOD proposes closing the Electronic Combat Testing

11 Facility at Air Force's Electronic Warfare Evaluation

12 Simulator Activity -- AFEWES -- Fort Worth, Texas; the Real-

13 Time Digitally Controlled Analyze Processor -- REDCAP --

14 Buffalo, New York; and moving the Electromagnetic Test

15 Environment at Eglin Air Force Base, Florida to Nellis. All

16 of these realignments will have a significant impact on

17 electronic combat test and evaluation infrastructure.

18 The current Air Force electronic test and

19 evaluation process uses test range and simulation facilities

20 at AFEWES, REDCAP, and Eglin to test new electronic combat

21 equipment against potential threats before that equipment is

22 flown on Eglin's open-air range. This process allows

1 equipment to be tested on the ground before starting
2 expensive airborne testing.
3 The Air Force is proposing to disestablish this
4 infrastructure and develop a new simulation facility at
5 Edwards Air Force Base and focus its open-air testing at the
6 Nellis Air Force Base complex.
7 A major issue with two of these inter-related
8 electronic combat realignments -- Eglin and AFEWES -- is
9 cost. In each case, costs have been increased or costs have
10 been significantly understated.
11 Other issues deal with electronic linking and test
12 capabilities. In conducting our analysis, we relied heavily
13 on two sources -- DOD's Board of Directors for Test and
14 Evaluation and Georgia Tech's Research Institute. The
15 independent board, which consists of senior-level
16 representatives from Army, Navy, and Air Force, has examined
17 the consolidation electronic combat testing facilities.
18 Georgia Tech recently completed a comprehensive of the
19 electronic combat infrastructure.
20 In addition, we obtained data from Air Force's Air
21 Warfare Center and Special Operations Command that showed
22 additional costs of having to conduct operation at Nellis,

1 rather than Eglin, based on the proposed move.

2 The testing community supporting these electronic

3 combat facilities has demonstrated strong support for the

4 completion of an Electronic Combat Master Plan in order to

5 ensure infrastructure changes to the electronic combat

6 facilities are made in the most cost-effective manner.

7 On June 20, 1995, the Air Force provided the

8 Commission with a draft copy of the Air Force's contribution

9 to the master plan. The Air Force has advised that the DOD

10 master plan is currently being drafted by the board of

11 directors and is scheduled to be completed prior to fiscal

12 year 1997.

13 I will now discuss each of these test facilities:

14 DOD recommends the realignment of Eglin Air Force

15 Base by relocating the Electromagnet Test Environment to the

16 Nellis Air Force Base complex. All other activities and

17 facilities associated with Eglin are to remain open. The

18 costs proposed by DOD have increased, but are still

19 considerably below staff finding that would indicate the most

20 to be cost-effective.

21 The second issue is range consolidation. The Air

22 Force proposed consolidation testing at Nellis. The

1 community is concerned with testing delays and points out
2 that Edwards is also involved, causing increased costs. The
3 Nellis-Edwards consolidation dismantles the highest rated
4 electronic test range in DOD.
5 The last issue is the Electronic Combat Master Plan
6 that was agreed by all as necessary prior to the move of test
7 assets. The scenario summary indicates a DOD-projected two-
8 year return on investment. As previously discussed, the
9 increased costs indicate there will never be a payback.
10 This ends the discussion on Eglin Air Force Base.
11 Do you have any question on this testing activity?
12 COMMISSIONER COX: Can I ask some questions about
13 cost?C
14 CHAIRMAN DIXON: Commissioner Cox.
15 COMMISSIONER COX: If I'm looking at the right one
16 here, you all are projecting a one-time cost of $15.7 million
17 for the move?
18 MR. OWSLEY: That's correct.
19 COMMISSIONER COX: And the return on investment is
20 never?
21 MR. FARRINGTON: That's because of the recurring
22 costs that have been added for the cost of operations from

1 AFSOC and AWC to the Nellis range.

2 COMMISSIONER COX: And this isn't just the

3 community's view? You all have looked at it and you agree?

4 MR. OWSLEY: We've got data in the recurring costs.

5 We've got data from both AFSOC and AWC. We're using a lot of

6 acronyms here.

7 COMMISSIONER COX: Right.

8 MR. OWSLEY: The Special Operations Force has moved

9 their operation to Holbert Field, which is at Eglin or right

10 at Fort Walton Beach, to cut down on these costs and make

11 accessibility of testing quick.

12 Unless they move their headquarters and the plains

13 and things to the Holbert Field operation, they will have to

14 fly their airplanes from Florida out to the West Range to run

15 their tests, and those costs were excluded, and we received

16 those costs and put them in our estimates.

17 COMMISSIONER COX: So you've looked at these,

18 you've validated them, to the extent that that's possible to

19 do?

20 MR. OWSLEY: Yes, we have.

21 COMMISSIONER COX: I I'm having a hard time in the

22 sense that one of the things we've heard from the Air Force

1 is that they're really tight on one-time costs. They are
2 very concerned that they're going to be spending limited
3 dollars on one-time costs, even if there are savings in the
4 future.
5 Now, we have a huge one-time cost and no savings in
6 the future. I guess I'm trying to figure out why we're doing
7 this.
8 MR. OWSLEY: Commissioner, the Air Force, I don't
9 believe, has concurred in our findings.
10 COMMISSIONER COX: I see.
11 MR. OWSLEY: So I don't want to indicate that they
12 have. There are further questions raised by the community
13 that we did not have time to investigate thoroughly, and that
14 is the cost of actually setting up these new simulators and
15 that, and how long it will take to get them online, and those
16 tests, or those costs, were not in the Air Force COBRA, and
17 that's because they believe they can set them up very quickly
18 and not have to spend money. That has not been the case in
19 the past. They may be fortunate this time.
20 MR. FARRINGTON: An example of that type of cost
21 would be the MILCON cost to accommodate those 17 simulators
22 that will be going from Eglin to Nellis. The Air Force is

1 looking at what that would cost. They have not estimated
2 that.
3 We took that cost from the board of directors
4 study, that independent group, so that's where we got our
5 number in the MILCON area. The Air Force has not estimated,
6 so we put that in.
7 COMMISSIONER COX: Maybe Commissioner Davis could
8 comment.
9 CHAIRMAN DIXON: Commissioner Davis.
10 COMMISSIONER DAVIS: I have a couple questions.
11 One of them is, this should be part of an electronic combat
12 plan, which we've been trying to put together for years, and
13 you received a draft plan, I think, just recently. Did you
14 have a chance to take a look at it? And how does that play?
15 MR. OWSLEY: That is the Air Force only. The
16 combat plan requires all three services. We do not have
17 anything from them. I personally have not had time to review
18 it. We got it like two nights ago, as you know.
19 CHAIRMAN DIXON: Mr. Farrington.
20 MR. FARRINGTON: That is the Air Force input. It
21 mentions the other services, Army and Navy, but it doesn't go
22 into any detail in terms of what their future plans would be

1 in electronic combat.

2 I might mention that the FY '97 is the date upon

3 which DOD expects to have that master plan completed, so it's

4 still out in the future.

5 COMMISSIONER DAVIS: May I continue? There are

6 several other related programs that go along with it; and, in

7 your estimation, the synergy of those other programs don't

8 mandate a move on this particular case?

9 MR. OWSLEY: No, I think the problem -- and you

10 really you know now this is a complex area we're trying to

11 discuss in a few minutes, here, because you and I have talked

12 about that -- the thing that is worrisome to the test

13 community is that, in fact, they are dismantling a fair

14 amount of the capability of REDCAP, which is the program that

15 flies airplanes into the danger areas, and AFEWES, which is

16 the facility that tests the electronic equipment aboard that

17 airplane to jam things as they go along that path.

18 The Air Force intends, they said, in the future --

19 if possible, and that have funding -- to reassemble those

20 capabilities out west, but they do not have those costs in

21 the COBRAs.

22 So we understand some of the things bothering the

1 Air Force, they believe these facilities are under-utilized
2 -- and, you know, we can talk about it -- and, indeed, in
3 many instances, I believe that's the case.
4 However, to rebuild, three years ago, the Air Force
5 spent $50 million to modernize AFEWES in Fort Worth, Texas,
6 to make it up to current threats. That will be lost when
7 they dismantle it and do not move it to the west test
8 complex. There is a big disagreement.
9 You know, the west test complex that they're
10 talking about is a training range now, basically, as opposed
11 to a test range. They're trying to make that conversion from
12 a training range to a test range. And that's not to say that
13 they don't have both those capabilities out west. They do.
14 They just don't have as much free air time, nor do they have
15 the emitters that the Air Force committed to putting into
16 Eglin for the last 20 years.
17 COMMISSIONER DAVIS: If this Commission rejects the
18 Department of Defense, there's nothing to prevent the
19 Department of Defense from going ahead and making those
20 moves?
21 MR. OWSLEY: No, sir, that's correct. In fact,
22 this is below the threshold, and we were openly told in our

1 meetings with them that they put it in to avoid having to get
2 on into this issue of getting the master plan approved, and
3 that.
4 I think that's of concern to me, because it's not
5 easy to get the testing community to agree on things, and I
6 understand that, but it would be nice if they had a stronger
7 input before this action is taken.
8 COMMISSIONER DAVIS: And one last question. Eglin
9 Air Force Base, is it related to any of these other moves
10 that we're talking about, or will it stand on its own?
11 MR. OWSLEY: No, sir; it will stand on its own. We
12 have motions on their one, because they were presented by the
13 Department of Defense that way.
14 COMMISSIONER STEELE: Mr. Chairman?
15 CHAIRMAN DIXON: Are there any further questions?
16 Commissioner Steele.
17 COMMISSIONER STEELE: For General Davis, if you
18 could just let me know your comfort level or lack of comfort
19 level with this as a group, I would appreciate hearing your
20 opinion on this.
21 COMMISSIONER DAVIS: Well, given my past history,
22 I'm not sure that's very helpful.

1 (Laughter.)

2 CHAIRMAN DIXON: Give it a try, General, give it a

3 try.

4 COMMISSIONER STEELE: I thought I was being nice.

5 I didn't know I'd put you on the spot.

6 COMMISSIONER DAVIS: The problem with this

7 particular issue -- and there are some things we can't talk

8 about in this room -- is that the Air Force and Department of

9 Defense has been trying to put together an electronic combat

10 plan for years and years and years, and to try to get it

11 meshed into a very complete road map that would give us a

12 sort of an R&D approach for the future years.

13 I haven't seen one in my last 15 years of service.

14 We keep hearing there's one and this hot biscuit is going to

15 show up very soon. This would be the first part of forcing

16 that issue, if we approved these motions.

17 However, on the other hand, the Air Force could go

18 ahead and do this part, anyway, without our help. There is

19 some concern in the Air Force that, if we don't force it, the

20 issue will not be forced.

21 CHAIRMAN DIXON: Now, Commissioner Kling.

22 COMMISSIONER KLING: Just on that same subject, so

1 I guess what we're saying here, I believe, is that, from a
2 dollars and cents standpoint, this probably doesn't make
3 sense, because, if you just took the three locations, you'd
4 have roughly $19 million in up front costs and a savings of
5 $3 million a year, 3.8, plus whatever we think is higher.
6 So there must be -- this must make very, very good
7 sense, from a training, from a future development, and a
8 better way to operate bases. Is that a fair assumption?
9 MR. OWSLEY: I believe that that's the Air Force's
10 position, sir.
11 CHAIRMAN DIXON: Mr. Farrington.
12 MR. FARRINGTON: May I just add one point to
13 General Davis's point?
14 I haven't given up on inter-servicing, even though
15 this past BRAC '95 results were fairly disappointing, of
16 which you are aware. I think this master plan, or some such
17 document, would help or maybe start the road along further to
18 obtain the servicing. And considering, for example, the
19 Navy's, you know, China Lake capability that they have up
20 there in electronic combat, maybe we can get more inter-
21 servicing through that process than we have up to now.
22 CHAIRMAN DIXON: Okay. Thank you, Mr. Farrington.

1 Do you have something to say about --

2 MR. OWSLEY: One last thing I should say. In the

3 meeting, the subject came up of funding, and the Air Force

4 representatives in the meeting also believed that this BRAC

5 funding would help them accomplish something which they do

6 not currently have funding to do.

7 CHAIRMAN DIXON: Okay. Any further questions? Is

8 there any further comment?

9 COMMISSIONER COX: I would just ask Commissioner

10 Davis a question, because I feel uncomfortable in the sense I

11 feel like we're being used by the group that wants to have

12 the master plan, which may be a very good idea, and that

13 group apparently wants funding, as well, but there are no

14 savings here.

15 So is this an appropriate BRAC decision? Should we

16 be deciding to go down the master plan? Is that right?

17 COMMISSIONER DAVIS: Some of those constraints have

18 not bothered us before.

19 COMMISSIONER COX: That's true.

20 COMMISSIONER DAVIS: But I would say that the

21 process here, the BRAC would help the service do something

22 they've been unable to do by themselves.

1 COMMISSIONER COX: I guess I'd feel better about it
2 if it saved money.
3 COMMISSIONER DAVIS: This particular one will not.
4 Now, there's one later on that we've got to have, because it
5 saves money.
6 CHAIRMAN DIXON: Are there any further questions or
7 philosophical discussions by any of my colleagues?
8 (No response.)
9 CHAIRMAN DIXON: Is there a motion?
10 (No response.)
11 CHAIRMAN DIXON: If we only had a motion. Is there
12 a motion?
13 M O T I O N
14 COMMISSIONER KLING: So moved. I would move the
15 Commission find the Secretary of Defense did not deviate
16 substantially from the final criterion, Force Structure, and,
17 therefore, the Commission adopt the following recommendation
18 of the Secretary of Defense:
19 "Realign Eglin Air Force Base, Florida.
20 "The Electromagnetic Test Environment, consisting
21 of eight electronic combat threat simulator systems and two
22 EC Pod systems will relocate to Nellis Air Force Base

1 Complex, Nevada.

2 "Those emitter-only systems at the Air Force

3 Development Test Center at Eglin Air Force Base necessary to

4 support the Air Force Special Operations Command, the United

5 States Air Force Air Warfare Center, and Air Force Materiel

6 Command Armament, Weapons, Test and Evaluation Activity, will

7 be retained.

8 "All other activities and facilities associated

9 with Eglin will remain open."

10 CHAIRMAN DIXON: You've heard the motion by

11 Commissioner Kling to realign Eglin. Is there a second?

12 COMMISSIONER COX: I'm sorry. This would spend the

13 money and realign Eglin.

14 COMMISSIONER CORNELLA: I second the motion.

15 CHAIRMAN DIXON: There's a second by Commissioner

16 Cornella. Is there any comment by any Commissioner?

17 (No response.)

18 CHAIRMAN DIXON: Are there any questions by

19 Commissioner?

20 (No response.)

21 CHAIRMAN DIXON: Counsel will call the roll.

22 MS. CREEDON: Commissioner Kling.

1 COMMISSIONER KLING: Aye.

2 MS. CREEDON: Commissioner Montoya.

3 COMMISSIONER MONTOYA: Aye.

4 MS. CREEDON: Commissioner Robles.

5 COMMISSIONER ROBLES: Aye.

6 MS. CREEDON: Commissioner Steele.

7 COMMISSIONER STEELE: Aye.

8 MS. CREEDON: Commissioner Cornella.

9 COMMISSIONER CORNELLA: Aye.

10 MS. CREEDON: Commissioner Cox.

11 COMMISSIONER COX: No.

12 MS. CREEDON: Commissioner Davis.

13 COMMISSIONER DAVIS: Aye.

14 MS. CREEDON: Mr. Chairman?

15 CHAIRMAN DIXON: Aye.

16 MS. CREEDON: Mr. Chairman, the vote is seven ayes

17 and one nay.

18 CHAIRMAN DIXON: And the motion to realign Eglin

19 prevails.

20 MR. OWSLEY: The next area, Mr. Commissioner, is

21 the part we discussed of this, which is REDCAP, which is

22 located in New York. REDCAP is a test facility that

1 simulates an enemy air defense system in order to measure how
2 effective aircraft can penetrate an enemy's air space.
3 Although the chart being displayed shows three
4 issues, I will stick my comments to cost and estimated work
5 load. As you can see, estimated one-time cost to close is
6 increased from 1.7 to 3.7 million due to an additional
7 military construction and moving costs associated with this
8 action. Based on DOD's recommendation to move 40 percent of
9 the total mission, commission staff findings estimated an
10 actual one-time cost of 4.2 million with a payback period in
11 five years.
12 Utilization was estimated at very low by the Air
13 Force, while the community differed greatly to 93 percent.
14 The board of directors who assessed it said utilization was
15 at 50 to 60 percent for Fiscal '94 and '95. And I don't
16 think there was so much a difference as it might indicate
17 there. It was the ground rules at which one went to judge
18 utilization, whether setup time and data reduction was part
19 of the test or not.
20 The scenario summary shows the pros and cons and
21 the differences in the cost factors previously discussed.
22 Are there any further questions?

1 CHAIRMAN DIXON: Are there any questions of Mr.
2 Owsley regarding REDCAP?
3 (No response.)
4 CHAIRMAN DIXON: Are there any comments by any
5 commissioner regarding this issue?
6 COMMISSIONER COX: Mr. Owsley --
7 CHAIRMAN DIXON: Commissioner Cox.
8 COMMISSIONER COX: I know there is an issue here of
9 whether -- are these government employees?
10 MR. OWSLEY: No, these are contractor employees
11 operating in a contractor facility using government
12 equipment.
13 CHAIRMAN DIXON: Any further questions of Mr.
14 Owsley?
15 (No response.)
16 CHAIRMAN DIXON: Any further comments?
17 (No response.)
18 CHAIRMAN DIXON: Is there a motion?
19 COMMISSIONER DAVIS: I have a motion, Mr. Chairman.
20 CHAIRMAN DIXON: Commissioner Davis.
21 M O T I O N
22 COMMISSIONER DAVIS: I move the commission find the

1 Secretary of Defense did not deviate substantially from the
2 final criteria on force structure and, therefore, the
3 commission adopt the following recommendation of the
4 Secretary of Defense: To establish a real-time visually
5 controlled analyzer processing activity REDCAP at Buffalo,
6 New York; required test activities necessary to support it be
7 located at Air Force Flight Test Center Edwards Air Force
8 Base, California; any remaining equipment will be disposed
9 of.
10 CHAIRMAN DIXON: And is there a second to that
11 motion?
12 COMMISSIONER KLING: Second.
13 CHAIRMAN DIXON: Commissioner Kling seconds the
14 motion of Commissioner Davis. Any comments?
15 (No response.)
16 CHAIRMAN DIXON: Any questions?
17 (No response.)
18 CHAIRMAN DIXON: Counsel will call the roll.
19 MS. CREEDON: Commissioner Davis.
20 COMMISSIONER DAVIS: Aye.
21 MS. CREEDON: Commissioner Kling.
22 COMMISSIONER KLING: Aye.

1 MS. CREEDON: Commissioner Montoya.

2 COMMISSIONER MONTOYA: Aye.

3 MS. CREEDON: Commissioner Robles.

4 COMMISSIONER ROBLES: Aye.

5 MS. CREEDON: Commissioner Steele.

6 COMMISSIONER STEELE: Aye.

7 MS. CREEDON: Commissioner Cornella.

8 COMMISSIONER CORNELLA: Aye.

9 MS. CREEDON: Commissioner Cox.

10 COMMISSIONER COX: No.

11 MS. CREEDON: Mr. Chairman.

12 CHAIRMAN DIXON: Aye.

13 MS. CREEDON: Mr. Chairman, the vote is seven ayes

14 and one nay.

15 CHAIRMAN DIXON: And that motion passes seven to

16 one.

17 Air Force Electronic Warfare Evaluation System,

18 Fort Worth.

19 MR. OWSLEY: DOD recommends that the Air Force

20 Electronic Warfare Evaluation Simulator activity in Fort

21 Worth be disestablished and moved to Edwards Air Force Base,

22 California. Workload and selected AFEWES equipment will be

1 transferred to Edwards and the remaining equipment is to be
2 disposed of.
3 AFEWES is a unique laboratory created in 1958 for
4 the testing the effectiveness of aircraft defensive counter-
5 measures. It is located within Air Force plant four and
6 operated by Lockheed Fort Worth Company.
7 I would like to address -- if you would put up the
8 next chart, please. I would like to address three issues:
9 cost, capability and electronic data linking. The DOD board
10 of directors, Georgia Tech, and the AFEWES community have
11 raised significant concern over the cost to move Edwards
12 AFEWES -- move AFEWES to Edwards. I should point out Georgia
13 Tech in these instances, by the way, is working for the U.S.
14 Air Force. That is why they are being referred to and used.
15 They are not operating independently.
16 The staff believes that costs have been
17 significantly underestimated by the Air Force. The current
18 one-time cost according to the Air Force is $9 million with a
19 payback of 13 years. As you can see on the chart being
20 displayed, after applying commission staff estimates, the
21 disestablishment of AFEWES is not cost-effective. Relocating
22 AFEWES capabilities poses a major technical risk because of

1 the system's unique ability to fully evaluate aircraft
2 performance in a defense threat environment.
3 Electronic data linking has been offered as an
4 alternative to co-locating to a major test range. The Air
5 Force did not believe this was possible. They commissioned
6 Georgia Tech to do this. Georgia Tech shows it to be cost-
7 effective and feasible.
8 We will go to the final chart, which is a scenario
9 chart which repeats these issues we have just talked about.
10 The 13-year ROI has been seriously questioned by the
11 commission staff; however, it is hard to come by all the
12 figures since we are only talking about reconstructing part
13 of this capability.
14 I will take any questions.
15 CHAIRMAN DIXON: Are there any questions of Mr.
16 Owsley?
17 COMMISSIONER DAVIS: I do have one, Mr. Chairman.
18 CHAIRMAN DIXON: Commissioner Davis.
19 COMMISSIONER DAVIS: What is the cost that -- we
20 contract for this, is that correct?
21 MR. OWSLEY: Yes, we contract with Lockheed Fort
22 Worth, who used to be General Dynamics.

1 COMMISSIONER DAVIS: What is the cost of the
2 contract on an annual basis?
3 MR. OWSLEY: I don't think we have this, but I can
4 tell you it is quite -- I know -- I guess whether it's quite
5 expensive depends on how much oil you have. There is 100
6 people approximately involved, Commissioner, that is required
7 to keep this open, which I consider quite a few people for an
8 activity that sometimes is not used and then other times it
9 becomes very vital. That is a problem the Air Force has that
10 they're trying to get -- through the years we're trying to
11 get more users to cut down the cost but it is a cost to the
12 Air Force.
13 COMMISSIONER DAVIS: So the Air Force effectively
14 could kill the program by removing that funding line from
15 their budget?
16 MR. OWSLEY: Yes, that's correct.
17 COMMISSIONER DAVIS: Thank you.
18 CHAIRMAN DIXON: Are there any further questions of
19 Mr. Owsley regarding this particular issue?
20 (No response.)
21 CHAIRMAN DIXON: Is there any comment by any
22 commissioner?

1 (No response.)

2 CHAIRMAN DIXON: Is there a motion by any

3 commissioner?

4 COMMISSIONER DAVIS: I have a motion.

5 CHAIRMAN DIXON: Commissioner Davis.

6 M O T I O N

7 COMMISSIONER DAVIS: I move the commission find the

8 Secretary of Defense deviated substantially from the final

9 criteria one, four, and five and, therefore, the commission

10 reject the Secretary's recommendation on the Air Force

11 Electronic Warfare Evaluation Simulator AFEWES and instead

12 adopt the following recommendation: retain the Air Force

13 Electronic Warfare Evaluation Simulator. The commission

14 finds this recommendation is consistent with force structure

15 plan and final criteria.

16 COMMISSIONER CORNELLA: I second the motion.

17 CHAIRMAN DIXON: All right. It is moved by

18 Commissioner Davis, seconded by Commissioner Cornella, that

19 we reject the Secretary's recommendation on the Air Force

20 Electronic Warfare Evaluation Simulator and retain the

21 simulator.

22 Is that correct? That is the motion?

1 COMMISSIONER DAVIS: That is the motion.

2 CHAIRMAN DIXON: Are there any comments on the

3 motion?

4 (No response.)

5 CHAIRMAN DIXON: Counsel will call the roll.

6 MS. CREEDON: Commissioner Davis.

7 COMMISSIONER DAVIS: Aye.

8 MS. CREEDON: Commissioner Kling.

9 COMMISSIONER KLING: Aye.

10 MS. CREEDON: Commissioner Montoya.

11 COMMISSIONER MONTOYA: Aye.

12 MS. CREEDON: Commissioner Robles.

13 COMMISSIONER ROBLES: Aye.

14 MS. CREEDON: Commissioner Steele.

15 COMMISSIONER STEELE: Aye.

16 MS. CREEDON: Commissioner Cornella.

17 COMMISSIONER CORNELLA: Aye.

18 MS. CREEDON: Commissioner Cox.

19 COMMISSIONER COX: Aye.

20 MS. CREEDON: Mr. Chairman.

21 CHAIRMAN DIXON: No.

22 MS. CREEDON: Mr. Chairman, the vote is seven ayes

1 and one nay.

2 CHAIRMAN DIXON: And the motion is carried and the

3 recommendation of the Secretary is rejected.

4 Hill Air Force Base, Utah, Test and Training Range.

5 MR. OWSLEY: I think most people are familiar with

6 this. We have simply one cost chart and one chart to explain

7 DOD recommends the realignment of Hill Air Force Base by

8 disestablishing the test range activity at Utah Test and

9 Training Range, changing the management responsibility for

10 the test range from Air Force Material Command to Air Combat

11 Command.

12 The staff found no issues with respect to this

13 realignment. Are there any questions?

14 CHAIRMAN DIXON: Are there any questions of Mr.

15 Owsley with respect to the Hill Air Force Base, Utah, Test

16 and Training Range?

17 (No response.)

18 CHAIRMAN DIXON: Are there any comments by any

19 commissioner?

20 (No response.)

21 CHAIRMAN DIXON: Is there a motion?

22 COMMISSIONER STEELE: I will make a motion.

1 CHAIRMAN DIXON: Commissioner Steele.

2 M O T I O N

3 COMMISSIONER STEELE: I move the commission find
4 the Secretary of Defense did not deviate substantially from
5 the final criteria and force structure plan and, therefore,
6 the commission adopt the following recommendation of the
7 Secretary of Defense: Realign Hill Air Force Base, Utah.
8 The permanent Air Force Materiel Command Test Range activity
9 at the Utah Test and Training Range will be disestablished.
10 Management responsibility for operation of the UTTR will
11 transfer from AFMC to Air Combat Command. Personnel,
12 equipment and systems required for use by ACC to support the
13 training range will be transferred to ACC. Additional AFMC
14 manpower associated with the operation will be eliminated.
15 Some armament weapons test and evaluation workload will
16 transfer to the Air Force Development Test Center, Eglin Air
17 Force Base, Florida, and the Air Force Flight Test Center,
18 Edwards Air Force Base, California.

19 CHAIRMAN DIXON: And that is a motion. Is there a
20 second to the motion by Commissioner Steele?

21 COMMISSIONER DAVIS: I second it.

22 CHAIRMAN DIXON: It is seconded by Commissioner

1 Davis. Are there any comments by any commissioners
2 concerning the motion?
3 (No response.)
4 CHAIRMAN DIXON: Is there any question by any
5 commissioner?
6 (No response.)
7 CHAIRMAN DIXON: Counsel will call the roll.
8 MS. CREEDON: Commissioner Steele.
9 COMMISSIONER STEELE: Aye.
10 MS. CREEDON: Commissioner Cornella.
11 COMMISSIONER CORNELLA: Aye.
12 MS. CREEDON: Commissioner Cox.
13 COMMISSIONER COX: Aye.
14 MS. CREEDON: Commissioner Davis.
15 COMMISSIONER DAVIS: Aye.
16 MS. CREEDON: Commissioner Kling.
17 COMMISSIONER KLING: Aye.
18 MS. CREEDON: Commissioner Montoya.
19 COMMISSIONER MONTOYA: Aye.
20 MS. CREEDON: Commissioner Robles.
21 COMMISSIONER ROBLES: Aye.
22 MS. CREEDON: Mr. Chairman.

1 CHAIRMAN DIXON: Aye.

2 MS. CREEDON: Mr. Chairman, the vote is eight ayes

3 and no nays.

4 CHAIRMAN DIXON: That motion unanimously carries.

5 Williams Air Force Base.

6 MR. OWSLEY: The next activity, Williams, involves

7 a redirect. Currently operating at the former Williams Air

8 Force Base is the Armstrong Labs Air Crew Training and

9 Simulation Facility. The actions of the 1991 commission

10 mandated moving the facility to Orlando, Florida, for it to

11 be co-located with Army and Navy simulation activities there.

12 The current recommendation is to leave this facility in place

13 as a stand-alone facility.

14 Other options include returning to the '91

15 commission's decision and the option of moving to Luke Air

16 Force Base. We have studied both of these. They have proven

17 to be cost-ineffective and, therefore, we are available for

18 any questions relative to this.

19 CHAIRMAN DIXON: You heard the statement by Mr.

20 Owsley. Is there any question by any commissioner of Mr.

21 Owsley or his staff?

22 (No response.)

1 CHAIRMAN DIXON: Any comments by any commissioner?
2 (No response.)
3 CHAIRMAN DIXON: Any motion by any commissioner?
4 COMMISSIONER DAVIS: I have a motion.
5 CHAIRMAN DIXON: Commissioner Davis.
6 COMMISSIONER DAVIS: But I have one question that
7 goes along with it.
8 CHAIRMAN DIXON: Commissioner Davis.
9 COMMISSIONER DAVIS: The Armstrong Lab is contained
10 not only in Mesa but there is parts of it on Luke Air Force
11 Base?
12 MR. OWSLEY: That's true.
13 COMMISSIONER DAVIS: So the motion will have to --
14 well, the motion will have to say what? In the Phoenix area?
15 Because it's located in two different places, is the problem.
16 I don't want to make them move what they have got at Luke
17 back to Mesa.
18 MR. OWSLEY: If we accept the recommendation that
19 was in the DOD submittal we'll be fine, which I can't read.
20 It's too far away.
21 COMMISSIONER DAVIS: Well, I don't -- I'm sorry, I
22 don't get the --

1 CHAIRMAN DIXON: Let's take a moment here for the
2 commissioner and counsel to examine this. Is it the opinion
3 of the director down there wants to say something that we're
4 all right if we accept the recommendation --
5 MR. OWSLEY: The general facility and then any
6 detachments somewhere else?
7 MR. LYLES: As I understand it, Mr. Chairman, we
8 are just talking about the facility at Mesa. Is that
9 correct, Jim?
10 MR. OWSLEY: That's correct.
11 CHAIRMAN DIXON: All right.
12 M O T I O N
13 COMMISSIONER DAVIS: Thank you, sir. I move the
14 commission find the Secretary of Defense did not deviate
15 substantially from the final criteria on force structure and,
16 therefore, the commission adopt the following recommendation
17 of the Secretary of Defense: Change the recommendation of
18 the 1991 commission regarding the relocation of Williams Air
19 Force Base Armstrong Laboratory Air Crew Training Research
20 Facility to Orlando, Florida, as follows: The Armstrong
21 Laboratory Air Crew Training Research Facility at Mesa,
22 Arizona, will remain at its present location as a stand-alone

1 activity.

2 CHAIRMAN DIXON: And is there a second to that

3 motion?

4 COMMISSIONER STEELE: I'll second that motion.

5 CHAIRMAN DIXON: Seconded by Commissioner Steele.

6 Are there any comments or questions?

7 (No response.)

8 CHAIRMAN DIXON: Counsel will call the roll.

9 MS. CREEDON: Commissioner Davis.

10 COMMISSIONER DAVIS: Aye.

11 MS. CREEDON: Commissioner Kling.

12 COMMISSIONER KLING: Aye.

13 MS. CREEDON: Commissioner Montoya.

14 COMMISSIONER MONTOYA: Aye.

15 MS. CREEDON: Commissioner Robles.

16 COMMISSIONER ROBLES: Aye.

17 MS. CREEDON: Commissioner Steele.

18 COMMISSIONER STEELE: Aye.

19 MS. CREEDON: Commissioner Cornella.

20 COMMISSIONER CORNELLA: Aye.

21 MS. CREEDON: Commissioner Cox.

22 COMMISSIONER COX: Aye.

1 MS. CREEDON: Mr. Chairman.

2 CHAIRMAN DIXON: Aye.

3 MS. CREEDON: Mr. Chairman, the vote is eight ayes

4 and zero nays.

5 CHAIRMAN DIXON: And the motion carries

6 unanimously. And the chair might observe that this is

7 another example, Director and Mr. Owsley, of the fact that we

8 are going to need to give some kind of ability to these

9 various services in the Department of Defense to do

10 corrections on what we do in this BRAC. This is just another

11 example of that. And I would point out that we will be

12 making recommendations to the Congress but we are going to

13 leave the service and the Department of Defense in pretty

14 tough shape if we don't get some method for them to do this

15 in the future without another BRAC coming up soon.

16 MR. OWSLEY: A point very well taken since these

17 requirements changed is why they said let's stay where we

18 are.

19 CHAIRMAN DIXON: Okay. Naval Technical Centers.

20 MR. OWSLEY: The first activity to be discussed in

21 here is the Naval Air Warfare Center Weapons Division, Point

22 Mugu, California. Point Mugu was added by the commission to

1 study Naval Air Warfare Center Point Mugu for realignment to
2 China Lake. Data received from the Navy shows that the cost
3 to realign negates any significant savings and significant
4 Naval Air Warfare Center personnel reductions over the past
5 few years allowed little opportunity for further
6 consolidations.
7 Therefore, we are ready to answer any questions on
8 Point Mugu.
9 CHAIRMAN DIXON: Now let me explain the situation
10 here. This is an add-on, is that correct?
11 MR. OWSLEY: That's correct, Mr. Chairman.
12 CHAIRMAN DIXON: Any questions or comments are
13 welcome. My understanding is in this situation if there is
14 no motion this is just an add-on and remains in the situation
15 it was in before we voted on May 10th, open.
16 MR. OWSLEY: That's correct, Mr. Chairman.
17 CHAIRMAN DIXON: Okay. Any questions, any
18 comments, any motions?
19 COMMISSIONER MONTOYA: Mr. Chairman.
20 COMMISSIONER COX: I just might make a comment that
21 --
22 CHAIRMAN DIXON: Wait. Commissioner Montoya.

1 COMMISSIONER MONTOYA: Thank you. I think I can
2 save us some time. Commissioner Cox and I visited this
3 facility and we visited -- I think it went on the list and we
4 went there because it was under a cloud from a DODIG report,
5 and so we went to satisfy ourselves whether there was still
6 or any factual basis for that.
7 We found, quite frankly, in military value an
8 outstanding facility, a very close command and control
9 relationship between China Lake and Point Mugu, truly a
10 national asset. We also found, as you see today, the cost to
11 close is just not cost-effective.
12 And so I believe I would like to have Mr. Owsley
13 confirm for the record the status of that DODIG report based
14 upon our analysis and get it on the record and get on with
15 voting. And I would also recommend a vote to take it off the
16 list so that will also be on the record in this case. I
17 would urge that upon my colleagues.
18 CHAIRMAN DIXON: Commissioner Cox.
19 COMMISSIONER COX: I will just echo the
20 commissioner's comments. It was, indeed, an excellent
21 facility and I think he said it well as a national treasure.
22 And I think the folks out there are to be commended both for

1 what they are doing and for the efficiency and capability
2 that they have developed and are continuing. And I agree
3 with the commissioner that we ought to vote just to set the
4 record straight.
5 CHAIRMAN DIXON: Will you make a motion to take it
6 off then, Commissioner?
7 M O T I O N
8 COMMISSIONER MONTOYA: Mr. Chairman, I move to
9 remove Naval Weapons Center Weapons Division, Point Mugu,
10 California, from any further consideration.
11 CHAIRMAN DIXON: Is that seconded by you,
12 Commissioner Cox?
13 COMMISSIONER COX: Yes, second.
14 CHAIRMAN DIXON: Counsel will call the roll.
15 COMMISSIONER DAVIS: May I have one comment, sir?
16 CHAIRMAN DIXON: Excuse me. Commissioner Davis.
17 COMMISSIONER DAVIS: I have been on the ground
18 there once and phoned that range several times and I would
19 like to add my support to the admiral's motion.
20 CHAIRMAN DIXON: Thank you.
21 COMMISSIONER KLING: My only question was, Mr.
22 Chairman, I thought that a motion was not necessary.

1 CHAIRMAN DIXON: It is not necessary but every
2 commissioner has the right to make a motion if a commissioner
3 wants to and my good friends and colleagues, Commissioner
4 Montoya and Commissioner Cox feel very strongly that we
5 goofed on this one and we ought to make the record clear we
6 are taking it off.
7 You got any problem with that? Okay. Counsel will
8 call the roll.
9 MS. CREEDON: Commissioner Montoya.
10 COMMISSIONER MONTOYA: Aye.
11 MS. CREEDON: Commissioner Robles.
12 COMMISSIONER ROBLES: Aye.
13 MS. CREEDON: Commissioner Steele.
14 COMMISSIONER STEELE: Aye.
15 MS. CREEDON: Commissioner Cornella.
16 COMMISSIONER CORNELLA: Aye.
17 MS. CREEDON: Commissioner Cox.
18 COMMISSIONER COX: Aye.
19 MS. CREEDON: Commissioner Davis.
20 COMMISSIONER DAVIS: Aye.
21 MS. CREEDON: Commissioner Kling.
22 COMMISSIONER KLING: Absolutely.

1 MS. CREEDON: Mr. Chairman.

2 CHAIRMAN DIXON: Aye.

3 MS. CREEDON: Mr. Chairman, the vote is eight ayes

4 and zero nays.

5 CHAIRMAN DIXON: Eight to nothing we goofed, and

6 it's off. Mr. Owsley.

7 MR. OWSLEY: Commissioner Montoya, did you want me

8 to answer that question about the IG report?

9 COMMISSIONER MONTOYA: Why don't you answer it

10 for -- well, answer it in one line but have it in the record.

11 Would you, please?

12 MR. OWSLEY: It was a case of an obsolete report

13 that many of the things that they observed were true at one

14 point in time but were overtaken by events such as the

15 consolidation that we saw in the command down 20 percent. It

16 was a failure to recognize work that was lurking around the

17 corner and was about to arrive and did arrive before the IG

18 report was issued. It should have been taken into

19 consideration, in my opinion.

20 So I think we were chasing something that was out

21 of date, so those things all entered into it. Most of the

22 Navy's comments in rejecting that report were accurate.

1 COMMISSIONER MONTOYA: Thank you.

2 CHAIRMAN DIXON: Thank you. Naval Air Warfare

3 Center, Warminster, Pennsylvania.

4 MR. OWSLEY: DOD recommends the closure of the

5 Naval Air Warfare Center Aircraft Division, Warminster,

6 Pennsylvania, and relocation of appropriate functions,

7 equipment, and support to other technical activities,

8 primarily the Naval Air Warfare Center Aircraft Division,

9 Patuxent River, Maryland.

10 There were no major issues that were identified

11 with respect to this closure. Are there any questions?

12 CHAIRMAN DIXON: Are there any questions?

13 (No response.)

14 M O T I O N

15 CHAIRMAN DIXON: Commissioners, I move that the

16 commission find that the Secretary of Defense did not deviate

17 substantially from the force structure plan and final

18 criteria and, therefore, that the commission adopt the

19 following recommendation of the Secretary of Defense: Close

20 the Naval Air Warfare Center Aircraft Division, Warminster,

21 Pennsylvania; relocate appropriate functions, personnel,

22 equipment, and support to other technical activities,

1 primarily the Naval Air Warfare Center Aircraft Division,
2 Patuxent River, Maryland.
3 Is there a second?
4 COMMISSIONER KLING: Second.
5 CHAIRMAN DIXON: Any comment?
6 (No response.)
7 CHAIRMAN DIXON: Counsel will call the roll.
8 MS. CREEDON: Commissioner Cornella.
9 COMMISSIONER CORNELLA: Aye.
10 MS. CREEDON: Commissioner Cox.
11 COMMISSIONER COX: Aye.
12 MS. CREEDON: Commissioner Davis.
13 COMMISSIONER DAVIS: Aye.
14 MS. CREEDON: Commissioner Kling.
15 COMMISSIONER KLING: Aye.
16 MS. CREEDON: Commissioner Montoya.
17 COMMISSIONER MONTOYA: Aye.
18 MS. CREEDON: Commissioner Robles.
19 COMMISSIONER ROBLES: Aye.
20 MS. CREEDON: Commissioner Steele.
21 COMMISSIONER STEELE: Aye.
22 MS. CREEDON: Mr. Chairman.

1 CHAIRMAN DIXON: Aye.

2 MS. CREEDON: The vote, Mr. Chairman, is eight aye
3 and zero nays.

4 CHAIRMAN DIXON: The motion is carried unanimously.
5 Naval Command and Control Ocean Surveillance Center,
6 Warminster, Pennsylvania.

7 MR. OWSLEY: The Department of Defense recommends
8 closure of the Naval Command Control and Ocean Surveillance
9 Center, RDT&E Division Detachment, Warminster, Pennsylvania,
10 and the relocation of appropriate functions, personnel,
11 equipment, and support to other technical activities,
12 primarily to the Naval Command Control and Ocean Surveillance
13 Center, RDT&E Division, San Diego, California, and to the
14 Naval Command Control and Ocean Surveillance RDT&E Division
15 Detachment, Warminster, Pennsylvania -- excuse me, I'm
16 reading a dual slide here. And the remaining activities
17 would go to the surveillance center in Naval Oceanographic
18 Office Bay, St. Louis, Mississippi.

19 There were no major issues were identified by the
20 communities during this process and we had no problem with
21 the figures, as you see on the chart.

22 Are there any further questions?

1 CHAIRMAN DIXON: Are there any questions of Mr.
2 Owsley?
3 (No response.)
4 CHAIRMAN DIXON: Commissioner Cornella, do you have
5 a motion?
6 COMMISSIONER CORNELLA: I do, sir.
7 CHAIRMAN DIXON: Commissioner Cornella.
8 M O T I O N
9 COMMISSIONER CORNELLA: I move that the commission
10 find that the Secretary of Defense did not deviate
11 substantially from the force structure plan and final
12 criteria and, therefore, that the commission adopt the
13 following recommendation of the Secretary of Defense: Close
14 the Naval Command Control and Ocean Surveillance Center,
15 RDT&E Division Detachment, Warminster, Pennsylvania; relocate
16 appropriate functions, personnel, equipment, and support to
17 other technical activities, primarily to the Naval Command
18 Control and Ocean Surveillance Center, RDT&E Division, San
19 Diego, California, and the Naval Oceanographic Office Bay,
20 St. Louis, Mississippi.
21 CHAIRMAN DIXON: I second the motion. Are there
22 any comments or questions?

1 (No response.)

2 CHAIRMAN DIXON: Counsel will call the roll.

3 MS. CREEDON: Commissioner Cornella.

4 COMMISSIONER CORNELLA: Aye.

5 MS. CREEDON: Commissioner Cox.

6 COMMISSIONER COX: Aye.

7 MS. CREEDON: Commissioner Davis.

8 COMMISSIONER DAVIS: Aye.

9 MS. CREEDON: Commissioner Kling.

10 COMMISSIONER KLING: Aye.

11 MS. CREEDON: Commissioner Montoya.

12 COMMISSIONER MONTOYA: Aye.

13 MS. CREEDON: Commissioner Robles.

14 COMMISSIONER ROBLES: Aye.

15 MS. CREEDON: Commissioner Steele.

16 COMMISSIONER STEELE: Aye.

17 MS. CREEDON: Mr. Chairman.

18 CHAIRMAN DIXON: Aye.

19 MS. CREEDON: Mr. Chairman, the vote is eight ayes

20 and zero nays.

21 CHAIRMAN DIXON: Now, by those last two unanimous

22 votes the commission has closed Naval Air Warfare Center and

1 Naval Command and Control Ocean Surveillance Center,
2 Warminster, Pennsylvania.
3 All right, Naval Air Warfare Center, Oreland,
4 Pennsylvania.
5 MR. OWSLEY: Yes. DOD recommends the closure of
6 the Naval Air Warfare Center Aircraft Division Open Water
7 Testing Facility, Oreland, Pennsylvania.
8 We found that there were no major issues were
9 identified in our analysis and, therefore, we have no further
10 information to offer.
11 Is there any questions?
12 CHAIRMAN DIXON: Are there any questions of Mr.
13 Owsley?
14 (No response.)
15 CHAIRMAN DIXON: Are there any comments by
16 commissioners? Commissioner Cornella.
17 M O T I O N
18 COMMISSIONER CORNELLA: I move that the commission
19 find that the Secretary of Defense did not deviate
20 substantially from the force structure plan and final
21 criteria and, therefore, that the commission adopt the
22 following recommendation of the Secretary of Defense: Close

1 the Naval Air Warfare Center Aircraft Division Open Water
2 Test Facility, Oreland, Pennsylvania.
3 CHAIRMAN DIXON: I second that motion. Any
4 comments?
5 (No response.)
6 CHAIRMAN DIXON: Counsel will call the roll.
7 MS. CREEDON: Commissioner Cornella.
8 COMMISSIONER CORNELLA: Aye.
9 MS. CREEDON: Commissioner Cox.
10 COMMISSIONER COX: Aye.
11 MS. CREEDON: Commissioner Davis.
12 COMMISSIONER DAVIS: Aye.
13 MS. CREEDON: Commissioner Kling.
14 COMMISSIONER KLING: Aye.
15 MS. CREEDON: Commissioner Montoya.
16 COMMISSIONER MONTOYA: Aye.
17 MS. CREEDON: Commissioner Robles.
18 COMMISSIONER ROBLES: Aye.
19 MS. CREEDON: Commissioner Steele.
20 COMMISSIONER STEELE: Aye.
21 MS. CREEDON: Mr. Chairman.
22 CHAIRMAN DIXON: Aye.

1 MS. CREEDON: Mr. Chairman, the vote is eight ayes
2 and zero nays.
3 CHAIRMAN DIXON: Ladies and gentleman, by that
4 vote, unanimous vote, Naval Air Warfare Center, Oreland,
5 Pennsylvania, is closed.
6 Naval Undersea Warfare Center, New London,
7 Connecticut.
8 MR. OWSLEY: The Department of Defense recommends
9 that the Naval Undersea Warfare Center Newport Division, New
10 London, Connecticut, be disestablished and relocated to the
11 Naval Undersea Warfare Center Newport Division, Newport,
12 Rhode Island. The New London facility is to be closed except
13 that Pier 7 is to be retained and transferred to the Naval
14 Submarine Base, New London.
15 The site presently occupied by the U.S. Coast Guard
16 in New London will be transferred and the U.S. Coast Guard's
17 Navy Submarine Base New London Magnetic Silencing Facility
18 will remain in its present location as a tenant of the U.S.
19 Coast Guard. Naval Reserve units will relocate to other
20 naval activities, primarily to Newport, Rhode Island, and
21 Navy Submarine Base, New London, Connecticut.
22 This closure completes the undersea warfare

1 consolidation begun in BRAC '91. Community cited concern
2 with loss of world class expertise and synergy. Major errors
3 in estimating one-time costs and the suitabilities of
4 facilities in Newport to house the towed array.
5 We put these questions to the Navy. They answered
6 all the community concerns, including direct contact with the
7 community, and we believe they were adequately answered.
8 Are there any further questions?
9 CHAIRMAN DIXON: Are there any further questions?
10 (No response.)
11 CHAIRMAN DIXON: Are there any further comments?
12 (No response.)
13 M O T I O N
14 CHAIRMAN DIXON: Commissioners, I move that the
15 commission find that the Secretary of Defense did not deviate
16 substantially from the force structure plan and final
17 criteria and, therefore, that the commission adopt the
18 following recommendation of the Secretary of Defense:
19 Disestablish the Naval Undersea Warfare Center Newport
20 Division, New London detachment, New London Connecticut;
21 relocate necessary functions with associated personnel,
22 equipment and support to Naval Undersea Warfare Center

1 Newport Division, Newport, Rhode Island; close the NUWC New
2 London Facility, except retain Pier 7, which is transferred
3 to the Navy Submarine Base, New London; the site presently
4 occupied by the U.S. Coast Guard Station, New London, will be
5 transferred to the U.S. Coast Guard; the Navy Submarine Base,
6 New London, Magnetic Silencing Facility will remain in its
7 present location as a tenant of the U.S. Coast Guard; Naval
8 Reserve units will relocate to other naval activities,
9 primarily NUWC Newport, Rhode Island, and Navy Submarine
10 Base, New London, Connecticut.
11 Is there a second?
12 COMMISSIONER KLING: Second, Mr. Chairman.
13 CHAIRMAN DIXON: Seconded by Commissioner Kling.
14 Are there any comments or questions?
15 (No response.)
16 CHAIRMAN DIXON: Counsel will call the roll.
17 MS. CREEDON: Commissioner Kling.
18 COMMISSIONER KLING: Aye.
19 MS. CREEDON: Commissioner Montoya.
20 COMMISSIONER MONTOYA: Aye.
21 MS. CREEDON: Commissioner Robles.
22 COMMISSIONER ROBLES: Aye.

1 MS. CREEDON: Commissioner Steele.

2 COMMISSIONER STEELE: Aye.

3 MS. CREEDON: Commissioner Cornella.

4 COMMISSIONER CORNELLA: Aye.

5 MS. CREEDON: Commissioner Cox.

6 COMMISSIONER COX: Aye.

7 MS. CREEDON: Mr. Chairman, Commissioner Davis is

8 recused from this vote.

9 CHAIRMAN DIXON: Commissioner Davis is recused.

10 Let the record show that.

11 MS. CREEDON: Mr. Chairman.

12 CHAIRMAN DIXON: Aye.

13 MS. CREEDON: Mr. Chairman, the vote is seven ayes

14 and zero nays.

15 CHAIRMAN DIXON: And on that vote the motion

16 carries. Naval Biodynamics Laboratory, New Orleans,

17 Louisiana.

18 MR. OWSLEY: The Naval Biodynamics Lab in New

19 Orleans conducts biomedical research as to the effects of

20 mechanical forces on Navy personnel. The Department

21 recommends to close this facility; however, it is expected

22 the University of New Orleans will take over the facility and

1 it will be available in the future on a contractual basis, if
2 needed.
3 We have no objections or found no differences to
4 this.
5 CHAIRMAN DIXON: Are there any questions of Mr.
6 Owsley?
7 (No response.)
8 CHAIRMAN DIXON: Is there any comment by any
9 commissioner?
10 (No response.)
11 M O T I O N
12 CHAIRMAN DIXON: Commissioners, I move that the
13 commission find that the Secretary of Defense did not deviate
14 substantially from the force structure plan and final
15 criteria and, therefore, that the commission adopt the
16 following recommendation of the Secretary of Defense: Close
17 the Naval Biodynamics Laboratory, New Orleans, Louisiana, and
18 relocate necessary personnel to Wright-Patterson Air Force
19 Base, Dayton, Ohio, and Naval Aeromedical Research
20 Laboratory, Pensacola, Florida.
21 Is there a second?
22 COMMISSIONER KLING: Second, Mr. Chairman.

1 CHAIRMAN DIXON: Are there any comments?

2 (No response.)

3 CHAIRMAN DIXON: Are there any questions?

4 (No response.)

5 CHAIRMAN DIXON: Counsel will call the roll.

6 MS. CREEDON: Commissioner Kling.

7 COMMISSIONER KLING: Aye.

8 MS. CREEDON: Commissioner Montoya.

9 COMMISSIONER MONTOYA: Aye.

10 MS. CREEDON: Commissioner Robles.

11 COMMISSIONER ROBLES: Aye.

12 MS. CREEDON: Commissioner Steele.

13 COMMISSIONER STEELE: Aye.

14 MS. CREEDON: Commissioner Cornella.

15 COMMISSIONER CORNELLA: Aye.

16 MS. CREEDON: Commissioner Cox.

17 COMMISSIONER COX: Aye.

18 MS. CREEDON: Commissioner Davis.

19 COMMISSIONER DAVIS: Aye.

20 MS. CREEDON: Mr. Chairman.

21 CHAIRMAN DIXON: Aye.

22 MS. CREEDON: Mr. Chairman, the vote is eight ayes

1 and zero nays.

2 CHAIRMAN DIXON: That motion unanimously carries.

3 Naval Medical Research Institute, Bethesda, Maryland.

4 MR. OWSLEY: The Naval Medical Research Institute

5 in Bethesda, Maryland, conducts biomedical research in

6 support of operating forces. The Department's recommendation

7 is relocate this facility to Walter Reed with the exception

8 of the diving facility, which would be moved to Panama City,

9 Florida.

10 Do you have any questions on this motion?

11 CHAIRMAN DIXON: Are there any questions of Mr.

12 Owsley?

13 (No response.)

14 M O T I O N

15 CHAIRMAN DIXON: Commissioners, I move that the

16 commission find that that the Secretary of Defense did not

17 deviate substantially from the force structure plan and final

18 criteria and, therefore, that the commission adopt the

19 following recommendation of the Secretary of Defense: Close

20 the Naval Medical Research Institute, Bethesda, Maryland;

21 consolidate the personnel of the diving medicine program with

22 the Experimental Diving Unit Naval Surface Warfare Center

1 categorize only about one-third of the tactical missile
2 workload as core and two-thirds as non-core, and Roles and
3 Missions would say that that's a likely candidate for
4 possible privatization.
5 The second column shows the results of DOD's COBRA
6 analysis to move the total missile maintenance package to
7 Hill Air Force Base. One-time cost for this option is $89
8 million, and this estimate does not include the cost to
9 construct new storage facilities at Utah.
10 As you might remember, at the Adds hearing, we had
11 a one-time cost to accomplish this transfer of $220 million,
12 which included a cost to build a substantial number of
13 igloos, and we found out, later on, that storage was not a
14 significant part of that --
15 COMMISSIONER DAVIS: Can I follow up on that one?
16 CHAIRMAN DIXON: Commissioner Davis, follow up,
17 please.
18 COMMISSIONER DAVIS: Yes, sir. So, in fact,
19 Letterkenny is the only that has the capability to store all
20 up-rounds and work on them at the same time?
21 MR. KNOEPFLE: Within the same facility.
22 COMMISSIONER DAVIS: Yes, within the same facility.

1 MR. KNOEPFLE: All up-rounding facilities are
2 scattered throughout the country.
3 COMMISSIONER DAVIS: And you do not have that at
4 Hill and you certainly don't have it at Tobyhanna?
5 MR. KNOEPFLE: You have that at Hill for some.
6 COMMISSIONER DAVIS: Some?
7 MR. KNOEPFLE: Yes.
8 COMMISSIONER DAVIS: But there's deemed to be kind
9 of an efficiency to have both the storage area and the
10 maintenance capability at the same place, not necessary, but
11 there is, when you ship it back and forth, your lag times
12 drop down?
13 MR. KNOEPFLE: There's some synergism gained by
14 that through, you know, less transportation costs and maybe
15 some sharing of personnel.
16 COMMISSIONER DAVIS: Thanks, Glenn.
17 CHAIRMAN DIXON: Thank you, Mr. Knoepfle. You may
18 proceed.
19 MR. KNOEPFLE: Thank you.
20 The third column summarizes the COBRA analysis to
21 close Tobyhanna --
22 COMMISSIONER COX: I'm sorry. Just to go back, the

1 $89 million one-time cost, does Hill have the capacity to do
2 all of what Tobyhanna would do?
3 In other words, we know they can't store and
4 disassemble at Hill or Tobyhanna, but the things that the DOD
5 recommends moving to Tobyhanna -- the guidance and control
6 and some of the related work -- could Hill pick that up? Do
7 they have the capacity to do that?
8 MR. KNOEPFLE: The infrastructure is there to pick
9 up.
10 COMMISSIONER COX: With some of these MILCON --
11 MR. KNOEPFLE: Yes, they have a significant amount
12 of excess space at Hill Air Force Base.
13 COMMISSIONER COX: Do you think they will still
14 have excess space when McClellan and San Antonio close?
15 MR. OWSLEY: The answer to that is yes.
16 COMMISSIONER COX: Yes.
17 MR. OWSLEY: They will have less, but they'll still
18 have quite a bit, because, if you remember the individual
19 charts we went to, not a lot of that work that would be
20 transferred by the Air Force would end up at Hill Air Force
21 Base. Some would, but in the areas where we saw the excess
22 capacity and that upstairs storage area and all that, that's

1 devoted to missiles, that will not be utilized with the work
2 that's going to transfer.
3 COMMISSIONER COX: Thank you.
4 CHAIRMAN DIXON: Proceed, Mr. Knoepfle.
5 MR. KNOEPFLE: Next chart, please.
6 This chart shows the issues that we looked at when
7 we did our analysis. The items on the left, I'll be talking
8 to; the items on the right can be discussed, if you so
9 desire.
10 You might want to leave that one up there, Brian,
11 and move on to the next chart.
12 This chart shows some of the pros and cons of
13 performing missile maintenance at Tobyhanna, as suggested by
14 the DOD's 1995 recommendations. Some information for the two
15 alternatives is also included.
16 All three of these options, I might point out,
17 preserve, in theory, the concept of inter-servicing. The
18 Tobyhanna option would assign the work to the Army's lowest-
19 cost depot. It would increase Tobyhanna's utilization rate
20 from 49 to 70 percent and, since this work is mainly
21 electronics-oriented the workload could blend into
22 Tobyhanna's facility but, with some additional building

1 renovation expenditures.

2 COMMISSIONER COX: I'm sorry. The numbers you're

3 looking at, do they include, now that we have voted, anyway,

4 to move the ground communication work from McClellan to

5 Tobyhanna?

6 MR. KNOEPFLE: No, they don't. That would raise

7 the utilization rate to in the neighborhood of 83 percent.

8 COMMISSIONER COX: 83 percent. And we probably

9 haven't, but we had a MILCON for moving missiles there and we

10 had a MILCON for moving ground communications there, because

11 we got it from the COBRAs on the Air Force depots.

12 Is everybody using the same space here? Are those

13 MILCONs completely different? Are we counting on some space

14 for bulk missiles and whatever? Did we ever run them

15 together, that if you would move both of them there, what the

16 MILCON would be?

17 MR. KNOEPFLE: The MILCON for moving the missiles

18 into Tobyhanna is about $5 million. Basically, it's building

19 renovation costs.

20 COMMISSIONER COX: But we have a one-time cost here

21 of $50 million of which, I guess, $5 million is MILCON. But

22 we're assuming they're moving into some space. What I'm

1 worried about is we're assuming that the ground
2 communications people and the missile people are now all
3 moving into the same space.
4 MR. KNOEPFLE: The answer to that question is the
5 Tobyhanna executive civilian has indicated to us that the
6 ground communications workload from McClellan is very similar
7 to the current work that's being done at Tobyhanna, so the
8 work, he said, would blend in, right in with the ongoing
9 benchtop -- he described it as benchtop type work.
10 COMMISSIONER COX: Right. That's what they've said
11 about the missile work, too.
12 MR. KNOEPFLE: When we walked through Tobyhanna
13 depot, they showed us the space. Essentially, it was several
14 open bays where they would put the missile work. And I might
15 add that the number of square feet that Tobyhanna plans to
16 allocate to that work is somewhat less than Letterkenny is
17 using at the present time, but engineers say it will work.
18 COMMISSIONER COX: All right. But we've never had
19 an opportunity to run a COBRA that said, "Move everything
20 together, the missiles and the electronics"?
21 MR. KNOEPFLE: Not precisely.
22 COMMISSIONER COX: We don't know what the impact of

1 the two together is?

2 MR. KNOEPFLE: No, we have not.

3 COMMISSIONER COX: Thank you.

4 CHAIRMAN DIXON: Mr. Knoepfle, proceed.

5 MR. KNOEPFLE: The center column here talks to the
6 Hill option. Hill was suggested by the community group that
7 supports the base. It should be noted up front that the Air
8 Force does not endorse the transfer of additional missile
9 maintenance workload into the Hill facility. However, the
10 Secretary of the Air Force stated, during the June 14th
11 hearing, that she would accept all or part of the work, if so
12 directed.

13 Currently about 80 Air Force employees are working
14 on the overhaul of guidance and control sections for Maverick
15 and Sidewinder missiles and, as I said previously, that work
16 will transfer to Letterkenny during the summer of 1995.

17 The third column addresses some of the pros and
18 cons of continuing with the missile consolidation effort at
19 Letterkenny. Rejection of DOD's recommendation would leave
20 the Letterkenny industrial area open, to include both combat
21 vehicle, possible future expansion of public and private
22 teaming, and, of course, the tactical missile maintenance

1 consolidation.

2 But, without any new workload, the projected FY '99

3 utilization rate would be 52 percent, based on maximum

4 potential capacity, compared to the currently programmed

5 workload estimates, or 26 percent if only core workload is

6 considered.

7 Next Chart. This talks about the issues, with

8 regard that the Letterkenny Community raised with regard to

9 the costs.

10 The Letterkenny Community as recognized that

11 expanded workload base would reduce -- that an expanded

12 workload base would reduce overhead costs.

13 As a solution to this problem, they have suggested

14 several alternatives. For example, expand the use of future

15 public/private teaming arrangements and possible transfer of

16 work from other closing activities.

17 These options were provided to the Army for comment

18 and we were recently notified that the DOD's position with

19 regard to Letterkenny realignment has not changed.

20 While United Defense anticipates follow-on work on

21 the Palladin Enterprise Project, company officials told us

22 that contracts from the National Guard and FMS orders that

1 would extend this work to 2001 time frame, have not been
2 finalized pending a decision on the 1995 BRAC recommendation.
3 Now with regard to the cost to close, or realign
4 Letterkenny, the GAO reported that the Army had inadvertently
5 failed to consider $3 to $5 million the COBRA cost analysis.
6 The Commission staff, in fact, found that several
7 important cost elements were overlooked.
8 For example, the Army has already requested $3.7
9 million to renovate existing facilities at Tobyhanna and
10 Anniston; $750,000 at Anniston, and about $3 million at
11 Tobyhanna. The Army has also developed an estimate to
12 develop a radar test site at a cost of about $2 million.
13 Commission staff also found that personnel costs
14 estimated -- that could cost as much as $10 million was not
15 considered in the Army's COBRA analysis.
16 Adding the $15 million to the Army's projection, it
17 brings the one-time costs to $65 millon. However, these
18 oversights do not change the DOD's estimated annual savings
19 and return on investment.
20 Next chart. This chart summarizes some of the
21 concerns raised by the Tobyhanna Community when the
22 Commission staff looked at a possible alternative -- to close

1 Tobyhanna and move the electronics workload into Letterkenny.
2 Tobyhanna was ranked as the Army's number one depot
3 with regard to military value and the Chairman of the Joint
4 Cost Service Group has affirmed that assessment.
5 While our analysis shows that Tobyhanna Depot could
6 possibly fit into Letterkenny's existing brick and mortar
7 infrastructure, the cost of building renovation would be
8 extensive -- in the neighborhood of $76 million.
9 Next chart. The last chart provides a summary of
10 the pros and cons of DOD's recommendation to realign
11 Letterkenny and assign the combat vehicle workload to
12 Anniston. At the end of the implementation period, 1999,
13 Letterkenny facility would be left with only the convention
14 ammunition and missile storage and disassembly mission.
15 DOD's recommendation preserves inter-serving of
16 depot level tactical missile maintenance, but the mission
17 would be relocated to the Tobyhanna facility to eliminate
18 excess depot infrastructure.
19 The Commission alternative to close Tobyhanna would
20 eliminate the Army's newest and highest rated depot. The
21 costs applicable to the Commission alternative are
22 considerably higher.

1 Mr. Chairman, this concludes my presentation.

2 CHAIRMAN DIXON: Thank you, very much, Mr.

3 Knoepfle. Are there any questions of Mr. Knoepfle by anybody

4 on the staff, or does any Commissioner have a comment?

5 COMMISSIONER DAVIS: Mr. Chairman.

6 CHAIRMAN DIXON: Commissioner Davis.

7 COMMISSIONER DAVIS: I would I would like, Mr.

8 Knoepfle, to get your assessment. Right now, Letterkenny is

9 in fact doing the Palladin Project. I was there; I saw it.

10 MR. KNOEPFLE: That is correct.

11 COMMISSIONER DAVIS: And they have the capacity to

12 continue that and that, in fact, they do have the capability

13 and the capacity to do further military vehicles -- in your

14 view -- if they were facilitized and manned to do that?

15 MR. KNOEPFLE: Yes, sir; they do.

16 COMMISSIONER DAVIS: Thank you.

17 CHAIRMAN DIXON: Thank you, Commissioner. Are

18 there any further questions of any of the staff, or any

19 further statements before there is a motion?

20 COMMISSIONER KLING: Just one?

21 CHAIRMAN DIXON: Commissioner Kling and then

22 Commissioner Cox.

1 COMMISSIONER KLING: Is Mr. Cook still there?

2 CHAIRMAN DIXON: Mr. Cook even had a sign for a

3 while. What happened to Mr. Cook?

4 MR. COOK: I am right here. I still have the sign.

5 CHAIRMAN DIXON: The elusive Mr. Cook.

6 COMMISSIONER KLING: Just one question about Red

7 River, back to the distribution. You heard Commissioner

8 Robles' statement about that if we close the distribution

9 depot there, we would hurt the ability to respond quickly,

10 maybe readiness.

11 My question to you is, could we not -- Do you

12 believe that that is true, or could these other depots --

13 distribution areas not replace just as effectively, and

14 moral? I think that Commissioner Robles said, yes, it can be

15 replaced, but we will lose timing, we will lose readiness.

16 MR. COOK: Commissioner Kling, there are

17 alternatives if the Commission decides to retain capacity.

18 The DLA position is

19 out-source that capacity for any shortfall. However, there

20 are other depots that have been recommended for closure,

21 specifically the one at Memphis and the one at San Antonio

22 that can handle the Red River workload --

1 COMMISSIONER KLING: Can or can't?

2 MR. COOK: Can definitely handle the Red River

3 workload and accommodate it well.

4 COMMISSIONER KLING: And accomplish what the

5 Commissioner questioned, whether it was able to be done?

6 MR. COOK: Yes, sir.

7 CHAIRMAN DIXON: Are there any further questions of

8 Mr. Knoepfle, or anybody from the staff regarding this issue?

9 COMMISSIONER COX: I have a question.

10 CHAIRMAN DIXON: Commissioner Cox.

11 COMMISSIONER COX: I have a question and it is on

12 the issue of privatization. In 1993, as Mr. Knoepfle, we

13 were very interested in cross-servicing missiles. The only

14 place to do that and do storage and disassembly was at

15 Letterkenny, and while I think we made a lot of really good

16 decisions in 1993, including

17 inter-servicing the missiles, I think perhaps we made one bad

18 decision as to that issue.

19 That is, preventing the military from having the

20 ability to privatize those missiles. And, in fact, as you

21 look at your chart, you will see that some of them will even

22 be coming out of the private sector at our direction, into

1 the public sector.

2 That is certainly inconsistent with the new roles

3 and missions and where the DOD, even across the board, seems

4 to be going.

5 So I want to explore the possibility of privatizing

6 those missiles, or at least giving the DOD the authority to

7 privatize those missiles should they so desire.

8 If we remove that prohibition, or because we did it

9 and we said "all missiles" -- if we made it clear that, in

10 fact, that it would be all right if the DOD wanted to, if it

11 were considered not core, et cetera, to leave the private

12 sector missiles in the private sector, even to further

13 privatize missiles currently in the public sector, and, in

14 fact, a fair amount of that were done and, as we know, there

15 are the cost service group, and others, at the Army are very

16 anxious to get about the process of doing that.

17 Would it make sense not to spend the one-time cost

18 to move it to Tobyhanna right now, or at least to see if they

19 would move to the private sector, given the DOD -- we would

20 avoid, wouldn't we, if we let it play out at Letterkenny, the

21 $15 million in one-time costs?

22 MR. KNOEPFLE: You could avoid those costs, yes.

1 And I believe the Army's plan for leaving the extra 300
2 people within the enclave area to buy time, if you will, to
3 consider those options.
4 COMMISSIONER COX: You would have to leave some
5 people there to do that work while you were either
6 privatizing it, or not privatizing.
7 MR. KNOEPFLE: That is correct.
8 MR. OWSLEY: I would point out, though, you would
9 lose the annual savings. Because if you looked at those
10 rates of those depots, Letterkenny is considerably higher
11 than anyone else and that is because they lack absorption,
12 and unless someone puts some work in there -- and if you
13 would go on with the move of the vehicles to Anniston, that
14 will no longer be $82 an hour, it will be $100-some odd.
15 COMMISSIONER COX: Presumably we wouldn't privatize
16 the missiles if it costs us move to privatize them.
17 MR. OWSLEY: No. What I am talking about, if you
18 leave missile work in Letterkenny and take out the vehicle
19 work, the cost per hour is going to go up significantly.
20 Someone needs to consider if that should be the desire, there
21 ought to be something else to absorb the overhead structure
22 that is there.

1 COMMISSIONER COX: Or, could you leave the Army the
2 ability to either privatize them, and if they wanted to do
3 that, not spend the one-time cost to Tobyhanna, or move to
4 Tobyhanna if in fact it is not cheaper to privatize? It may
5 well not be cheaper to privatize.
6 MR. OWSLEY: You could be right. You could do any
7 one of those things that you said, Commissioner. You could
8 privatize by just changing your language from 1993 and let
9 the Army go on with their current recommendation, which is to
10 move the electronics to a low-cost place, which is Tobyhanna,
11 and to load up Anniston, which is a recommendation. And you
12 could take away that onerous language at the same time you
13 are doing that.
14 COMMISSIONER COX: Right. I guess what I am
15 looking at is a third possibility. That, plus, if there --
16 What has happened, we have already spent money to consolidate
17 these missiles at Letterkenny. We have moved people, we have
18 trained people and what we are talking about is doing it,
19 again.
20 If we were going to privatize a large section of
21 those missiles as some at the DOD are very anxious to do, it
22 wouldn't make sense to do that all again, if you could avoid

1 it.

2 I am looking for an option that says -- give them

3 the option to privatize the whole thing, move the whole thing

4 to Tobyhanna, or do some combination of that during a period.

5 MR. OWSLEY: We certainly did not look at that

6 option. It was not on the table. We all talked about it a

7 bit, but you would have -- to get any cost analysis of

8 benefit, you would have to decide and give someone a year

9 when you are going to privatize and get the stuff out there.

10 An analysis could be performed once we knew that.

11 CHAIRMAN DIXON: Any further questions?

12 (No response.)

13 CHAIRMAN DIXON: Are there any other questions of

14 this staff regarding their complete presentation which is now

15 before you?

16 (No response.)

17 CHAIRMAN DIXON: Are there any further questions?

18 Are there any further comments, or is there a motion?

19 COMMISSIONER DAVIS: Mr. Chairman, I have a motion.

20 CHAIRMAN DIXON: Do you have a motion, Commissioner

21 Cox?

22 COMMISSIONER COX: Oh, no. I am sorry. I

1 understand that Commissioner Robles had a motion, but --
2 whatever. I don't have a motion.
3 CHAIRMAN DIXON: Here is my understanding from
4 counsel. Army Letterkenny and Depot Letterkenny are
5 connected.
6 MR. OWSLEY: Yes.
7 CHAIRMAN DIXON: And if one goes, they both go.
8 There is no distinguishing feature with respect to that
9 particular installation, and I think there is no dispute
10 about that.
11 MR. OWSLEY: That is right.
12 CHAIRMAN DIXON: The Chair will entertain a motion.
13 COMMISSIONER ROBLES: Mr. Chairman, I have a
14 motion.
15 CHAIRMAN DIXON: Commissioner Robles.
16 COMMISSIONER ROBLES: Mr. Chairman, I move --
17 CHAIRMAN DIXON: Just a minute, Commissioner
18 Robles. Counsel is asking me a question.
19 COMMISSIONER DAVIS: I would yield to my Army
20 colleague if it is the same motion I have.
21 CHAIRMAN DIXON: The Chair is an innocent
22 bystander. Commissioner Robles.

1 COMMISSIONER ROBLES: I don't know if he wanted to
2 do a motion first. I am not sure mine -- my motion will be
3 the same as his, so maybe --
4 CHAIRMAN DIXON: The Chair sure doesn't care who
5 goes first. Anybody want to go first?
6 COMMISSIONER ROBLES: I will make a motion --
7 CHAIRMAN DIXON: Commissioner Robles, you make the
8 motion.
9 M O T I O N
10 COMMISSIONER ROBLES: I move the Commission find
11 the Secretary Defense deviated substantially from Final
12 Criteria One, Two, Four and Five, and therefore, the
13 Commission reject the Secretary's recommendation on
14 Letterkenny Army Depot, and instead, adopt the following
15 recommendation:
16 Realign Letterkenny Army Depot by transferring the
17 towed and self-propelled combat vehicle mission to Anniston
18 Army Depot; retain an enclave for convention ammunition
19 storage and tactical missile disassembly and storage; change
20 the 1993 Commission's decision regarding the consolidation of
21 tactical missile maintenance at Letterkenny by transferring
22 missile guidance system workload to Tobyhanna Army Depot, or

1 private sector commercial activities.

2 The Commission finds this recommendation is

3 consistent with the four structure plan and final criteria.

4 CHAIRMAN DIXON: Is there a second to the motion

5 made by Commission Robles?

6 COMMISSIONER MONTOYA: Second.

7 CHAIRMAN DIXON: Seconded by Commissioner Montoya.

8 COMMISSIONER DAVIS: Mr. Chairman.

9 CHAIRMAN DIXON: Commissioner Davis?

10 COMMISSIONER DAVIS: Mr. Chairman, I would like to

11 propose an amendment to that. Would that be proper at this

12 point?

13 CHAIRMAN DIXON: I think an amendment is entirely

14 proper. Commissioner Davis.

15 COMMISSIONER DAVIS: If you will give me a second,

16 I will try to find where we differ.

17 CHAIRMAN DIXON: Do you want to confer with

18 counsel?

19 COMMISSIONER DAVIS: Yes.

20 I would like to amend it to say realign Letterkenny

21 Army Depot and Tobyhanna Army Depot, Pennsylvania --

22 Letterkenny and Tobyhanna will become a combined depot

1 activity under one command as determined by the Department of
2 the Army; the tactical maintenance missile workload will
3 consolidate under the control of the consolidated depot
4 command; missile repair work may be assigned to either the
5 private sector or Letterkenny and Tobyhanna facilities, as
6 deemed appropriate; the Letterkenny facility will retain all
7 currently programmed ground vehicle workload; other ground
8 combat vehicle workload will move to Letterkenny, as deemed
9 appropriate.
10 The Commission finds this recommendation is
11 consistent with the four structure plan and final criteria.
12 CHAIRMAN DIXON: Counsel advises me that that is in
13 the nature of a substitute amendment. Is there a second to
14 the amendment -- to the motion offered by Commission Davis?
15 Is there a second?
16 COMMISSIONER CORNELLA: For purpose of discussion,
17 I second that.
18 CHAIRMAN DIXON: Seconded by Commissioner Cornella.
19 Counsel will call the role.
20 COMMISSIONER ROBLES: Mr. Chairman, before I go --
21 since I did the original amendment. After we vote on this
22 substantive amendment --

1 CHAIRMAN DIXON: We come back to you.

2 COMMISSIONER ROBLES: You will come back to me.

3 CHAIRMAN DIXON: If this amendment fails, I come

4 back to you.

5 COMMISSIONER ROBLES: That is fine.

6 COMMISSIONER KLING: We are voting on Commissioner

7 Davis' motion.

8 CHAIRMAN DIXON: We are voting on Commissioner

9 Davis' motion, seconded by Commissioner Cornella.

10 If it passes, that is the established decision of

11 the Commission with respect to Letterkenny. If it fails, we

12 revert back to the motion by Commissioner Robles.

13 Is there any question by Commissioners before

14 Counsel calls the role?

15 COMMISSIONER MONTOYA: No question, but there ought

16 to be time for discussion or a statement.

17 CHAIRMAN DIXON: Fine. Commissioner Montoya.

18 COMMISSIONER MONTOYA: It seems to me that that

19 motion is a kind of -- proposes the kind of thing that I

20 would like to see all military services have, that kind of

21 flexibility to be able to combine overhead, to move work

22 around, to improve the efficiency of the Armed Services.

1 But, clearly we have a Base Closure Commission
2 because it is almost impossible to do that, and this motion
3 tends to confuse the issue. Whether I like it or not, it
4 tends to confuse the issue, so I am going to vote to oppose
5 it, because I think we ought to be leaving behind us a trail
6 of very clean decisions.
7 CHAIRMAN DIXON: Thank you, Commissioner Montoya.
8 Commissioner Kling.
9 COMMISSIONER KLING: I would like to support that;
10 that I believe the operational aspects of how we go into this
11 and what we do with it be left to the Armed Forces.
12 CHAIRMAN DIXON: Are there any further comments by
13 any Commissioner before Counsel calls the role? Commissioner
14 Cox?
15 COMMISSIONER COX: I just might ask a question,
16 because now I am confused. Commissioner Davis, your
17 proposal, as I understand it, would allow -- The DOD did not
18 propose realignment -- closing Letterkenny. You are
19 proposing realigning Letterkenny, as did the DOD, and doing
20 two other thins, as I understand it -- allowing
21 privatization, which I certainly support --
22 COMMISSIONER DAVIS: Correct.

1 COMMISSIONER COX: And, allowing the DOD, if they
2 so desire, completely up to them, not to spend the one-time
3 cost to move the missile work to Tobyhanna if they can
4 privatize it in place.
5 COMMISSIONER DAVIS: That is correct.
6 COMMISSIONER COX: In other words, there is no
7 point in moving it to Tobyhanna if what you are going to be
8 doing is privatizing. What you would want to do is, in a few
9 years, or a year -- whatever it was -- deciding whether or
10 not it should be privatized, and if so, you phase it out at
11 Letterkenny.
12 You wouldn't spend money to move it to Tobyhanna
13 and then phase it out, and this would give them the option to
14 do that.
15 And, as I understand it, it would also give them
16 the option, but not direct, ground vehicle work in the
17 Letterkenny.
18 Is that correct?
19 COMMISSIONER DAVIS: Your characterization is
20 correct.
21 COMMISSIONER COX: Mr. Kling said he thought we
22 should give them the option, and that is why I was a little

1 confused. I just want to make sure that that is the intent
2 of the motion.
3 COMMISSIONER STEELE: Mr. Chairman.
4 CHAIRMAN DIXON: Commissioner Steele.
5 COMMISSIONER STEELE: I am sorry. Commissioner
6 Davis, does it also, if I am not mistaken -- Does it do one
7 more thing?
8 COMMISSIONER DAVIS: Right.
9 COMMISSIONER STEELE: In retaining the current
10 ground program ground combat vehicle workload so, in essence,
11 that portion would also stay at Letterkenny and not go to
12 Anniston?
13 COMMISSIONER DAVIS: I am sorry. Commissioner
14 Steele, say, again?
15 COMMISSIONER STEELE: Does it also not do one
16 additional thing by retaining all currently programmed ground
17 combat vehicle workload at Letterkenny, versus moving that to
18 Anniston, as the recommendation --
19 COMMISSIONER DAVIS: That was my intention, yes.
20 COMMISSIONER COX: Is that your intention? I know
21 you read it that way, but --
22 COMMISSIONER DAVIS: Retain the Palladin workload

1 there.

2 COMMISSIONER COX: But just the Palladin, not the

3 rest of the ground -- The other ground vehicle workload

4 there.

5 COMMISSIONER DAVIS: Retain the current ground

6 combat workload until it runs out.

7 COMMISSIONER COX: Can I make a suggestion?

8 CHAIRMAN DIXON: Commissioner Cox?

9 COMMISSIONER COX: That we make that discretionary

10 with the Army, as well? The reason I raise that, as I

11 understood the intent of your proposal, it was in a sense to

12 give the DOD the authority to phase out Letterkenny if they

13 decide to do that, if they privatize the missiles and move it

14 to Tobyhanna.

15 So if they wanted to move ground work in, fine, but

16 that should be at the option of them.

17 COMMISSIONER DAVIS: Mr. Chairman, I am afraid I

18 have confused this issue. My intent was to maximize the

19 centralization as it has already been mandated by the 1993

20 BRAC, sustain the ground combat capability and permit

21 additional surge loads be added to Letterkenny as required.

22 CHAIRMAN DIXON: Thank you, Commissioner Davis.

1 Are there any further comments? The question before us is a
2 motion by Commissioner Davis that, in effect, is a substitute
3 to the motion by Commission Robles.
4 We are prepared, if there is no further
5 conversation, to vote on the motion by Commissioner Davis.
6 Is there any objection to going to the vote?
7 COMMISSIONER MONTOYA: Call the question.
8 CHAIRMAN DIXON: Good. Counsel, call the role.
9 MS. CREEDON: Commissioner Davis.
10 COMMISSIONER DAVIS: Aye.
11 MS. CREEDON: Commissioner Kling.
12 COMMISSIONER KLING: No.
13 MS. CREEDON: Commissioner Montoya.
14 COMMISSIONER MONTOYA: No.
15 MS. CREEDON: Commissioner Robles.
16 COMMISSIONER ROBLES: Nay.
17 MS. CREEDON: Commissioner Steele.
18 COMMISSIONER STEELE: Nay.
19 MS. CREEDON: Commissioner Cornella.
20 COMMISSIONER CORNELLA: No.
21 MS. CREEDON: Commissioner Cox.
22 COMMISSIONER COX: Aye.

1 MS. CREEDON: Mr. Chairman.

2 CHAIRMAN DIXON: No.

3 MS. CREEDON: Mr. Chairman, the vote is six nays,

4 and two ayes.

5 CHAIRMAN DIXON: The vote is six nays, two ayes;

6 the motion by Commissioner Davis fails and the Chair

7 announces that we revert to the motion by Commissioner

8 Robles. Counsel will now call the role on the motion by

9 Commissioner Robles. Commissioner Davis.

10 COMMISSIONER DAVIS: Mr. Chairman, it has been so

11 long ago, could we have it re-read?

12 CHAIRMAN DIXON: Why don't we do that? Read

13 Commissioner Robles' motion, again.

14 COMMISSIONER ROBLES: Mr. Chairman, I would be glad

15 to re-submit the motion.

16 CHAIRMAN DIXON: Thank you. Would you, please,

17 Commissioner Robles?

18 COMMISSIONER ROBLES: Mr. Chairman, I move the

19 Commission find the Secretary of Defense deviated

20 substantially from Final Criteria One, Two, Four and Five,

21 and therefore, the Commission reject the Secretary's

22 recommendation on Letterkenny Army Depot, and instead adopt

1 the following recommendation:

2 Realign Letterkenny Army Depot by transferring the

3 towed and self-propelled vehicle mission to Anniston Army

4 Depot; retain an enclave for the conventional ammunition

5 storage and tactical missile disassembly and storage; change

6 the 1993 Commission's decision regarding the consolidation of

7 tactical missile maintenance at Letterkenny by transferring

8 missile guidance system workload to Tobyhanna Army Depot, or

9 private sector commercial activities.

10 The commission finds this recommendation is

11 consistent with the four structure plan and final criteria.

12 CHAIRMAN DIXON: I thank the Commissioner for re-

13 reading his motion. Counsel will call the role.

14 COMMISSIONER COX: Can I just make a comment?

15 CHAIRMAN DIXON: Commissioner Cox.

16 COMMISSIONER COX: I get back to my concern on this

17 motion that, while we give them the authority to do private

18 sector, we force them to spend money, and move people to

19 Tobyhanna at the same time. I don't think that makes sense.

20 If we are going to privatize, we ought to leave them the

21 option of not spending the money to move.

22 I think we are forcing dollars spent out that just

1 simply aren't necessary.

2 CHAIRMAN DIXON: Are there any further comments?

3 (No response.)

4 CHAIRMAN DIXON: Counsel, call the role.

5 MS. CREEDON: Commissioner Robles.

6 COMMISSIONER ROBLES: Aye.

7 MS. CREEDON: Commissioner Steele.

8 COMMISSIONER STEELE: Aye.

9 MS. CREEDON: Commissioner Cornella.

10 COMMISSIONER CORNELLA: No.

11 MS. CREEDON: Commissioner Cox.

12 COMMISSIONER COX: No.

13 MS. CREEDON: Commissioner Davis.

14 COMMISSIONER DAVIS: No.

15 MS. CREEDON: Commissioner Kling.

16 COMMISSIONER KLING: Aye.

17 MS. CREEDON: Commissioner Montoya.

18 COMMISSIONER MONTOYA: Aye.

19 MS. CREEDON: Mr. Chairman.

20 CHAIRMAN DIXON: Aye.

21 MS. CREEDON: Mr. Chairman, the votes are five ayes

22 and three nays.

1 CHAIRMAN DIXON: Motion carries. Announcement for
2 the public here, so that there is no question about it: That
3 vote, which is a majority vote, supports the Department of
4 Defense recommendations with a moderate variation.
5 COMMISSIONER ROBLES: Mr. Chairman.
6 CHAIRMAN DIXON: Commissioner Robles.
7 COMMISSIONER ROBLES: Are you entertaining
8 additional motions on this whole area of Army depots?
9 CHAIRMAN DIXON: Yes, I am, sir.
10 COMMISSIONER ROBLES: I would like to make a
11 motion.
12 CHAIRMAN DIXON: Commissioner Robles, you are
13 recognized.
14 M O T I O N
15 COMMISSIONER ROBLES: I move that the Commission
16 find the Secretary of Defense deviated substantially from
17 Final Criterion One, and therefore, the Commission reject the
18 Secretary's recommendation on Red River Army Depot, and
19 instead, adopt the following recommendation:
20 Realign Red River Army Depot by moving all
21 maintenance missions except for that related to the Bradley
22 Fighting Vehicle Series to other depot maintenance

1 activities, including the private sector; retain conventional
2 ammunition storage in the interim training center, the rubber
3 production facility and civilian training education in Red
4 River.
5 The Commission finds this recommendation is
6 consistent with the Four Structure Plan and Final Criteria.
7 CHAIRMAN DIXON: Is there a second to the motion by
8 Commissioner Robles?
9 COMMISSIONER KLING: I second that one.
10 CHAIRMAN DIXON: It is seconded by Commissioner
11 Kling. Is there any comment regarding this motion? Is there
12 any discussion concerning this motion?
13 COMMISSIONER COX: I wonder, Chairman --
14 CHAIRMAN DIXON: Commissioner Cox.
15 COMMISSIONER COX: I wonder, Commissioner, if you
16 would just explain what we are doing. Commissioner Robles,
17 Commissioner Cox ask that you elaborate on what you are
18 doing.
19 COMMISSIONER ROBLES: What we are basing doing is,
20 given my testimony on the fact that we needed a warm-base
21 capability, we didn't want to put all our eggs in one basket,
22 I think it is prudent that we down-size Red River Army Depot,

1 and only leave the Bradley line there; find ways to get in
2 efficiencies and costs down to a level that the Department of
3 the Defense, and the Department of Army specifically can live
4 with, but retain the ability for surge capability, or other
5 catastrophes or disasters, to be able to restock those other
6 lines, and run the facility at full production if necessary.
7 But, in the meantime, you only maintain the Bradley line,
8 which is a very specialized and unique sort of skilled labor
9 force that is required for our national defense.
10 COMMISSIONER COX: The C-113s and some of the other
11 wheeled vehicles would continue to move to Anniston, but the
12 Bradley's would stay here?
13 COMMISSIONER ROBLES: That is correct.
14 COMMISSIONER MONTOYA: Mr. Chairman, I have a
15 comment.
16 CHAIRMAN DIXON: Let's get this clarified, and then
17 I will recognize you, Commissioner Montoya. This motion
18 addresses the depot --
19 COMMISSIONER ROBLES: Only the depot, not the DLA.
20 CHAIRMAN DIXON: All right. Who asked --
21 COMMISSIONER MONTOYA: Mr. Chairman, on the chance
22 that my vote on this may seem inconsistent with the position

1 I took regarding the ALCs, on the issue of surge capacity and
2 so forth; I see this distinction very clear in that the Army
3 has, in fact, closed many depots. They are down to the last
4 ones.
5 I share the concern with Commissioner Robles on
6 this one, for that fact and that fact, alone. I would almost
7 favor keeping this particular base open, as is, and have
8 Anniston work out their synergies over time. But, again, I
9 think we have to give clearer directions than just leave too
10 many things in the air for fear that we will create dogfights
11 in our trail.
12 So I will support the motion to submit it.
13 CHAIRMAN DIXON: Are there any further comments by
14 any Commissioner regarding this motion?
15 (No response.)
16 CHAIRMAN DIXON: Counsel will call the role.
17 MS. CREEDON: Commissioner Robles.
18 COMMISSIONER ROBLES: Aye.
19 MS. CREEDON: Commissioner Steele.
20 COMMISSIONER STEELE: Aye.
21 MS. CREEDON: Commissioner Cornella.
22 COMMISSIONER CORNELLA: Aye.

1 MS. CREEDON: Commissioner Cox.

2 COMMISSIONER COX: Aye.

3 MS. CREEDON: Commissioner Kling.

4 COMMISSIONER KLING: Aye.

5 MS. CREEDON: Commissioner Montoya.

6 COMMISSIONER MONTOYA: Aye.

7 MS. CREEDON: Mr. Chairman?

8 CHAIRMAN DIXON: No.

9 MS. CREEDON: Commissioner Davis.

10 COMMISSIONER DAVIS: Aye.

11 MS. CREEDON: Mr. Chairman, the votes are seven

12 ayes, and one nay.

13 CHAIRMAN DIXON: Votes are seven ayes and one nay.

14 The motion is carried.

15 May I say to my fellow Commissioners, we can either

16 take a brief break and have a bite to eat and come right back

17 in here -- and I would hope it wouldn't take more than half-

18 hour at the most, or we can go to the DLA part of Red River

19 which I would like to do to conclude this issue on Red River.

20 What is the Director saying to me?

21 MR. LYLES: Mr. Chairman, I believe there are two

22 remaining issues associated with this category; one is the

1 defense distribution depot at Letterkenny, and the other is
2 the defense distribution depot at Red River. I think, given
3 the Commission's action just now, I think it would be staff's
4 recommendation that you could go ahead and act on both of
5 those, right now.
6 CHAIRMAN DIXON: All right. I think that point is
7 well taken. On the Letterkenny question, where the result is
8 already not in dispute, I think -- could we go to that first?
9 Is someone prepared to make a motion on the Letterkenny DLA
10 question?
11 COMMISSIONER ROBLES: Mr. Chairman, I have a
12 motion.
13 CHAIRMAN DIXON: Would you read that motion,
14 please?
15 M O T I O N
16 COMMISSIONER ROBLES: I move that the motion find
17 that the Secretary of Defense did not deviate substantially
18 from the four structure plan and final criteria; therefore,
19 that the Commission adopt the following recommendation to the
20 Secretary of Defense:
21 Disestablish the defense distribution depot,
22 Letterkenny, Pennsylvania, DDLP; material remaining at DDLP

1 at time of disestablishment will be relocated to the defense
2 distribution depot, Anniston, Alabama, DDAA, and to optimum
3 storage space within the Department of Defense distribution
4 system.
5 CHAIRMAN DIXON: That is a motion by Commissioner
6 Robles. Is there a second to that motion?
7 COMMISSIONER KLING: I second that motion.
8 CHAIRMAN DIXON: Seconded by Commissioner Kling.
9 Is there any comment, or can we go to the role call?
10 (No response.)
11 CHAIRMAN DIXON: Counsel will call the role.
12 MS. CREEDON: Commissioner Robles?
13 COMMISSIONER ROBLES: Aye.
14 MS. CREEDON: Commissioner Steele.
15 COMMISSIONER STEELE: Aye.
16 MS. CREEDON: Commissioner Cornella?
17 COMMISSIONER CORNELLA: Aye.
18 MS. CREEDON: Commissioner Cox.
19 COMMISSIONER COX: Aye.
20 MS. CREEDON: Commissioner Davis.
21 COMMISSIONER DAVIS: Aye.
22 MS. CREEDON: Commissioner Kline.

1 COMMISSIONER KLING: Aye.

2 MS. CREEDON: Commissioner Montoya.

3 COMMISSIONER MONTOYA: Aye.

4 MS. CREEDON: Mr. Chairman.

5 CHAIRMAN DIXON: aye.

6 MS. CREEDON: Mr. Chairman, the votes are eight

7 ayes and zero nays.

8 CHAIRMAN DIXON: That motion carries unanimously,

9 going with the result already obtained on the previous motion

10 on Letterkenny.

11 Did I understand that I had a consensus here, that

12 we go to the Red River DLA question and then we can conclude

13 for a bite to eat? Is there any further comment or any other

14 questions of any Commissioner before we go to the question?

15 (No response.)

16 CHAIRMAN DIXON: Is there a motion?

17 COMMISSIONER ROBLES: I have a motion, Mr.

18 Chairman.

19 M O T I O N

20 CHAIRMAN DIXON: Commissioner Robles.

21 COMMISSIONER ROBLES: I move that the Commission

22 find that the Secretary of Defense deviated substantially

1 from final criteria one and, therefore, that the Commission
2 reject the Secretary's recommendation on Defense Distribution
3 Depot Red River, Texas, DDRT, and instead adopt the following
4 recommendation:
5 Defense Distribution Depot Red River, Texas, DDRT,
6 remain open and is not disestablished. The Commission finds
7 this recommendation is consistent with the four structure
8 plan and final criteria.
9 CHAIRMAN DIXON: Are there any comments regarding
10 this motion? Oh, wait; is there a second to the motion?
11 COMMISSIONER CORNELLA: I second the motion.
12 CHAIRMAN DIXON: Commissioner Cornella seconds that
13 motion.
14 Are there any comments regarding this motion?
15 COMMISSIONER MONTOYA: I have a comment, Mr.
16 Chairman.
17 CHAIRMAN DIXON: Commissioner Montoya.
18 COMMISSIONER MONTOYA: With the assistance of
19 counsel, I believe that we ought to amend this to permit or
20 make room for the flexibility of this depot to be realigned
21 or downsized commensurate with the action we just took in
22 realigning Red River.

1 I think that that somehow has to be worked into
2 this motion.
3 MR. LYLES: I would agree, Mr. Chairman, that that
4 is possible.
5 COMMISSIONER COX: As well.
6 CHAIRMAN DIXON: Just a moment. If I just have the
7 benefit of staff's view here. I see Mr. Cook and Director
8 Lyles; what is your view on this?
9 MR. LYLES: Mr. Chairman, let me recognize Bob
10 Cook.
11 MR. COOK: Mr. Chairman, I think the workload
12 adjustment would follow because the defense depot is there to
13 support the maintenance mission. The mission goes down, the
14 workload will automatically go down, perhaps except for the
15 regional distribution mission, which will be retained.
16 So that should be within the purview of the Defense
17 Logistics Agency to accommodate that workload transfer.
18 COMMISSIONER COX: And therefore, we would not need
19 to change the motion; that that would happen as part --
20 MR. LYLES: You are saying an operational unit will
21 happen.
22 MR. COOK: Yes, sir; I think that is correct.

1 COMMISSIONER MONTOYA: Mr. Chairman, to the extent
2 that we are all assured of that and it is on the record, I
3 would withdraw my motion.
4 CHAIRMAN DIXON: All right. Are there any further
5 comments or questions by any of the Commissioners?
6 (No response.)
7 CHAIRMAN DIXON: Counsel will call the role.
8 MS. CREEDON: On the motion made by Commissioner
9 Robles, Commissioner Robles.
10 COMMISSIONER ROBLES: Aye.
11 MS. CREEDON: Commissioner Steele.
12 COMMISSIONER STEELE: Aye.
13 MS. CREEDON: Commissioner Cornella?
14 COMMISSIONER CORNELLA: Aye.
15 MS. CREEDON: Commissioner Cox.
16 COMMISSIONER COX: Aye.
17 MS. CREEDON: Commissioner Davis.
18 COMMISSIONER DAVIS: Aye.
19 MS. CREEDON: Commissioner Kling.
20 COMMISSIONER KLING: I vote aye, also, on the basis
21 that we do have an understanding that this will be looked
22 into, operating on a down-sizing basis.

1 MS. CREEDON: Commissioner Montoya.

2 COMMISSIONER MONTOYA: Aye.

3 MS. CREEDON: Mr. Chairman.

4 CHAIRMAN DIXON: No.

5 MS. CREEDON: The vote is seven ayes and one nay.

6 CHAIRMAN DIXON: The motion carries, and I think we
7 have completed everything with respect to Letterkenny and Red
8 River. Have we, Director?

9 MR. LYLES: Yes, sir, Mr. Chairman, we have.

10 CHAIRMAN DIXON: Now, ladies and gentlemen, we are
11 going to take a very brief luncheon break. I am hoping we
12 can get back here by 1:30, if I am not imposing unduly, which
13 would be 25 minutes. Is there any problem with anybody here?
14 I see some people looking a little shocked. All right.

15 Ladies and gentlemen, I have been asked to announce
16 that Senate Security rules require that you not leave any
17 unattended personal items in this hearing room during the
18 lunch break.

19 The room will be swept during the break and any
20 unattended items will be removed by the Capitol Police.

21

22

1 We will be back here at 1:30 p.m. We are in
2 temporary recess for lunch.
3 (Whereupon, a luncheon recess was taken at 1:05
4 p.m.)

1 A F T E R N O O N S E S S I O N

2 (1:35 p.m.)

3 CHAIRMAN DIXON: Ladies and gentlemen, we are going

4 to get going here if we can find the Commissioners.

5 What are we on now, Director? Navy Depot Warfare

6 Centers?

7 MR. LYLES: Yes, sir, Mr. Chairman.

8 CHAIRMAN DIXON: Do you have your staff on Navy

9 Depot Warfare Centers?

10 MR. LYLES: We are here and ready to go, sir.

11 CHAIRMAN DIXON: Ladies and gentlemen, thank you

12 for your kindness this morning. There were a lot of tough

13 votes, and some that I am sure people were emotionally

14 involved in very deeply. I appreciate the fact that nobody

15 got involved in any displays that interrupted the

16 proceedings.

17 It was very sophisticated of you and I am indebted

18 to you.

19 Is staff ready to go ahead with the Navy

20 Depot/Warfare Centers?

21 MR. LYLES: Yes, we are, Mr. Chairman.

22 CHAIRMAN DIXON: Proceed.

1 MR. LYLES: Mr. Owsley, from the Joint Cross
2 Service Team.
3 MR. OWSLEY: I have the team of people, the
4 analysts, here with me. Dick Helmer, Brian Kerns and Less
5 Farrington, who are the senior analysts on this.
6 CHAIRMAN DIXON: Who is going to proceed?
7 MR. OWSLEY: I am sir.
8 CHAIRMAN DIXON: Okay. Go ahead, Mr. Owsley.
9 MR. OWSLEY: The first chart depicts the three
10 installations in this category, which is the Louisville,
11 Indianapolis and Lakehurst, New Jersey. If we put up the
12 next chart, we can get right on.
13 The DOD recommendation is to close the Naval
14 Surface Warfare Center, Crane Division, Detachment,
15 Louisville, Kentucky; relocate the appropriate functions,
16 personnel, equipment and support to other naval activity,
17 primarily the Naval Shipyard, Norfolk, Naval Surface Warfare
18 Center, Fort Wainemee, and the Naval Surface Warfare Center,
19 Crane, Indiana.
20 Louisville performs depot level maintenance on the
21 Navy's ships self-defense systems, gun and gun-fire control
22 systems, surface missile launchers, and standard missile

1 rocket motor casings.

2 The Joint Cross Service Group for depot maintenance

3 recommended the closure of the depot activities at

4 Louisville, and the Navy followed this closure

5 recommendation.

6 The Navy estimates a one-time closure cost of $104

7 million with a return on investment in three years, after

8 implementation. The Navy also estimates this recommendation

9 will result in a net present value of $244 million.

10 Chart D-3, please.

11 I will address two major issues, closure costs and

12 a naval audit service report conducted on this closure

13 recommendation.

14 The Commission staff, as you will see, had run a

15 COBRA with costs that were excluded by the Navy that need to

16 be a part of the COBRA estimate, in order to do a more

17 accurate assessment of closure recommendation.

18 The Staff COBRA estimates a one-time closure cost

19 to be $136 million, with a return on investment in five years

20 after the implementation. This would result in a net present

21 value of $169 million.

22 There have been issues brought up by the community

1 on repair standards -- that is the work papers needed to
2 affect repair, and how you do those. The staff ran those to
3 ground with the Navy and with the investigative agencies, and
4 I believe that everybody is satisfied now with where we are
5 on those answers.
6 The community concerns were about the costs, and,
7 again, there was an investigative service report done. There
8 were some irregularities in some of the documentation, but
9 nothing, as the IG reported, that would affect the BRAC
10 recommendation.
11 So based on those things, we went on and basically
12 looked at what the Navy had said, and believe this is a good
13 recommendation. There is one further subject, however, that
14 needs to be discussed and that is the Navy's support of the
15 community's desire to privatize this activity.
16 If you go to the privatization chart, please.
17 The Louisville Community presented to the Navy
18 several times, as they did with us, a way to privatize the
19 shipyard and maintain a great capability that is there.
20 Particularly, there is the capability in the plating area,
21 with the new plating shop that was completed just three years
22 ago at the cost of approximately $80 million.

1 The community's proposal would bring in two private
2 companies who are already working on Navy products that are
3 done in that depot. They would also seek private sector
4 investment or assistance in a plating area to bring in
5 private work over Navy work.
6 The Navy has concurred that they will encourage
7 this activity. It will require a small contingent of Navy
8 in-service engineers to stay for whatever period of time the
9 Navy work stays there. This is not unusual since the in-
10 service engineers are with the products in the Navy wherever
11 this would be. This would be a contingent of 300 to 400
12 people -- however the Navy judges that.
13 COMMISSIONER KLING: Can I interrupt you, one
14 minute?
15 MR. OWSLEY: Yes.
16 COMMISSIONER KLING: When it comes to the
17 privatization proposal, do you have the figures -- and I know
18 that this still tentative of where they are coming to on the
19 privatization issue, but -- Do we have any figures, if it was
20 worked out and consummated, what it would save the Navy?
21 MR. OWSLEY: Brian, do you have that figure?
22 MR. KERNS: No, sir, we do not.

1 MR. OWSLEY: It was something that was very close,
2 at least in an estimate. They don't have a firm estimate
3 because of the nature -- you know, where they are on the
4 privatization. But it would actually improve over what the
5 Navy would save by closing the shipyard down and moving it to
6 other places.
7 COMMISSIONER KLING: I remember when we were there
8 that one of the things that was a material cost -- you
9 wouldn't have the relocation expenses for a lot of the
10 personnel that would be ending up staying there under the
11 private relationships. That was a material aspect --
12 MR. OWSLEY: Yes. The estimate was somewhere in
13 the neighborhood of $100 million because they would not move
14 all of those people that -- the Navy would have to either
15 relocate the people or have to have authorization billets at
16 the receiving locations.
17 The Navy has been very supportive of the community
18 and, based on that, these are all the charts we have. We
19 would endorse the Navy's position, as the staff, that the
20 closure of this warfare center meets in their downsizing
21 because they have capability in excess of their requirements.
22 If there are any further questions on that, we

1 would be glad to answer them.

2 CHAIRMAN DIXON: Are there any further questions

3 concerning this subject matter -- on the privatization

4 matter, you mean, Owsley, or just on the general subject

5 matter of Louisville?

6 MR. OWSLEY: Our findings were that the Navy's

7 numbers, although a little high in some areas, were so close

8 to what we came up with -- we had no real differences in the

9 findings. It is still a viable alternative to close the

10 shipyard and to support the privation that has been

11 recommended by the community.

12 COMMISSIONER STEELE: I have one question.

13 CHAIRMAN DIXON: Commissioner Steele.

14 COMMISSIONER STEELE: It is actually for counsel.

15 Just on our authority as a commission regarding

16 privatization, can we allow it but not direct it? Or, can we

17 direct it, as well? If you could just let me know what our

18 authority is.

19 MS. CREEDON: Your earlier statement was correct.

20 We can allow it; we cannot direct it.

21 COMMISSIONER STEELE: Thank you.

22 CHAIRMAN DIXON: I think one has to say that any

1 language we use in any motion we make here is kind of
2 advisory in nature; that we are not really mandating that
3 something occurs; is that correct, Counsel?
4 MS. CREEDON: Yes.
5 CHAIRMAN DIXON: Commissioner Kling.
6 COMMISSIONER KLING: I would make one comment,
7 following what you said. I did have a conversation with the
8 Secretary of the Navy and with Mr. Danzig, who confirmed to
9 me -- and I believe they did also at the hearings -- that
10 they are very supportive of this issue and going forward with
11 privatization, in general, wherever they can, which I think
12 is absolutely -- it is a great approach and a great
13 direction. We do want to encourage that, I feel, in any way
14 that we possibly can.
15 CHAIRMAN DIXON: Thank you, Commissioner Kling. I
16 think that expresses probably the view of every member of the
17 Commission regarding that particular situation. I suppose
18 all of us feel a little bit of frustration that we can't go
19 further than we are able to go in the motions that we will
20 consider here.
21 Are there other comments by other Commissioners?
22 (No response.)

1 CHAIRMAN DIXON: If there are no further
2 comments --
3 MR. OWSLEY: We have no further charts.
4 CHAIRMAN DIXON: Do we want to do them all? Excuse
5 me.
6 Okay. Counsel thinks it is appropriate to vote on
7 this one right now. Is there a motion by anybody?
8 COMMISSIONER KLING: I would like to make one.
9 M O T I O N
10 CHAIRMAN DIXON: Commissioner Kling.
11 COMMISSIONER KLING: As I just said, I think we
12 are going in the right direction and I am really delighted
13 that the Navy is supporting this. So I would like to move
14 that the Commission find that the Secretary of Defense
15 deviated substantial from final criteria one and four, and
16 therefore, that the Commission reject the Secretary's
17 recommendation on Naval Surface Warfare Center, Crane
18 Division, Detachment, Louisville, Kentucky, and instead adopt
19 the following recommendation:
20 Close the Naval Surface Warfare Center, Crane
21 Division, Detachment, Louisville, Kentucky; transfer workload
22 equipment and facilities to the private sector or private

1 local jurisdiction, as appropriate, if the private sector can
2 accommodate the workload on site, or, relocate necessary
3 functions, along with necessary personnel, equipment and
4 support to other Navy technical activities, primarily the
5 Naval Shipyard, Norfolk, Virginia, Naval Surface Warfare
6 Center, Port Hueneme, California, and the Naval Surface War
7 Center, Crane, Indiana.
8 To the extent that workload is moved to the private
9 sector, such personnel as are necessary should remain in
10 place to assist with transfer to the private sector to
11 perform functions compatible with private sector workload, or
12 are necessary to sustain or support the private sector
13 workload and to carry out any transition activities.
14 The Commission finds this recommendation is
15 consistent with the four structure plan and final criteria.
16 CHAIRMAN DIXON: I thank the Commissioner for that
17 motion. Is there a second?
18 COMMISSIONER STEELE: I will second the motion.
19 CHAIRMAN DIXON: Commissioner Steele seconds the
20 motion by Commissioner Kling. Are there any comments?
21 (No response.)
22 CHAIRMAN DIXON: Counsel will call the role.

1 MS. CREEDON: Commissioner Kling.

2 COMMISSIONER KLING: Aye.

3 MS. CREEDON: Commissioner Montoya.

4 COMMISSIONER MONTOYA: Aye.

5 MS. CREEDON: Commissioner Robles.

6 COMMISSIONER ROBLES: Aye.

7 MS. CREEDON: Commissioner Steele.

8 COMMISSIONER STEELE: Aye.

9 MS. CREEDON: Commissioner Cornella.

10 COMMISSIONER CORNELLA: Aye.

11 MS. CREEDON: Commissioner Cox.

12 COMMISSIONER COX: Aye.

13 MS. CREEDON: Commissioner Davis.

14 COMMISSIONER DAVIS: Aye.

15 MS. CREEDON: Mr. Chairman.

16 CHAIRMAN DIXON: Aye.

17 MS. CREEDON: Mr. Chairman, the votes are eight

18 ayes and zero nays.

19 CHAIRMAN DIXON: That motion is adopted

20 unanimously.

21 The effect of that, of course, so that I may

22 explain for the audience; we encourage privatization. We do

1 not have the power, as I understand it from counsel, to
2 mandate. We encourage privatization. We expressed the
3 unanimous view of the Commission that it is our view that
4 that would be the appropriate thing to do.
5 Mr. Owsley.
6 MR. OWSLEY: Thank you. The next installation we
7 will cover is the Naval Warfare Center, Indianapolis,
8 Indiana. This is very similar to the Louisville situation
9 that we just went through.
10 The DOD recommendation is to close the Naval
11 Warfare Center, Aircraft Division, Indianapolis, Indiana;
12 relocate necessary functions along with associated personnel,
13 equipment and support to other naval technical activities,
14 primarily Naval Surface Warfare Center, Crane, Indiana, Naval
15 Air Warfare Center, Aircraft Division, Patuxent River,
16 Maryland, and Naval Air Warfare Center, Weapons Division in
17 China Lake, California.
18 Indianapolis performs research/development tests,
19 evaluation and prototyping of avionics, weapon guidance
20 control and ship and ground base electronic systems.
21 The Joint Cost Service Group for Test and
22 Evaluation recommended the realignment of the measurement

1 facility testing for air-to-air and air-to-ground weapons at
2 one of the five sites, including China Lake. The Navy
3 followed this recommendation.
4 The Joint Cost Service Group for Laboratory
5 recommended air vehicle work from Indianapolis to Patuxent
6 River. The Navy followed this recommendation.
7 The Navy estimates a one-time closure cost of $78
8 million, with a return on investment in one year after
9 implementation. The Navy also estimates this recommendation
10 will result in a net present value of $392 million.
11 I will address one major issue, closure costs for
12 this recommendation. The Commission staff has run a COBRA
13 with costs that were excluded by the Navy that need to be a
14 part of the COBRA estimate in order to make accurate
15 assessments of the closure recommendation.
16 The staff COBRA estimates a one-time closure cost
17 to be $125 million, with a return on investment in three
18 years after implementation.
19 The Indianapolis Community has presented this
20 Commission with a proposal to privatize this installation as
21 an alternative re-use. The community plan is to form an
22 employee stock ownership program with the personnel

1 recommended to be eliminated or realigned.

2 The new corporation would work alongside a

3 contingent of Naval engineers to remain at Indianapolis. The

4 City's representatives have identified a closure avoidance of

5 $187 million based on estimates of closure costs. They have

6 identified savings to be DOD in the form of reduced

7 infrastructure and eliminating personnel from the Government

8 payroll.

9 The Navy was presented with this proposal by the

10 community and believes the existing language in the

11 recommendation gives them sufficient leverage to implement

12 this concept if they so desire.

13 Recommendation language strong enough to allow this

14 proposal to be implemented has been requested and the

15 Commission has requested strong, encouraging language to

16 support this privatization.

17 That is all that we have on Indianapolis. We will

18 answer questions.

19 CHAIRMAN DIXON: If there are any questions, Mr.

20 Owsley. We thank you, very much. I believe I reflect the

21 view of the Commission when I say that all of us are aware of

22 the fact that this is another suggested privatization that is

1 warmly supported by Commissioners, generally, I believe.

2 Is there any necessity for comments, or can we have

3 a motion?

4 COMMISSIONER KLING: I so move, Mr. Chairman.

5 CHAIRMAN DIXON: Commissioner Kling.

6 COMMISSIONER KLING: I might say that the Mayor of

7 Indianapolis, Mayor Goldsmith, is a foremost mover on this

8 type of thing. I would hope that we can proceed quickly on

9 that.

10 M O T I O N

11 COMMISSIONER KLING: I would move that the

12 Commission find that the Secretary of Defense deviated

13 substantially from final criteria one and four, and,

14 therefore, that the Commission reject the Secretary's

15 recommendation on Naval Air Warfare Center, Aircraft

16 Division, Indianapolis, Indiana, and instead adopt the

17 following recommendation:

18 Close the Naval Air Warfare Center,Aircraft

19 Division, Indianapolis, Indiana and transfer workload,

20 equipment and facilities to the private sector, or local

21 jurisdiction, as appropriate, if the private sector can

22 accommodate the workload on site, or relocate necessary

1 functions along with the necessary personnel, equipment and
2 support to other naval technical activities, primarily the
3 Naval Surface Warfare Center, Crane, Indiana, Naval Air
4 Warfare Center, Aircraft Division, Patuxent River, Maryland,
5 and Naval Air Warfare Center, Weapons Division, China Lake,
6 California.
7 To the extent that workload is moved to the private
8 sector, such personnel as are necessary should remain in
9 place to assist with transfer to the private sector to
10 perform functions compatible with private sector workload, or
11 are necessary to sustain or support the private sector
12 workload and to carry out any transition activities.
13 The Commission finds this recommendation is
14 consistent with the four structure plan and final criteria.
15 CHAIRMAN DIXON: You have heard the motion. Is
16 there a second to the motion by Commissioner Kling?
17 COMMISSIONER CORNELLA: Second.
18 CHAIRMAN DIXON: That is seconded by Commissioner
19 Cornella. Is there any comment by any Commissioner?
20 (No response.)
21 CHAIRMAN DIXON: Counsel will call the role.
22 MS. CREEDON: Commissioner Kling.

1 COMMISSIONER KLING: Aye.

2 MS. CREEDON: Commissioner Montoya.

3 COMMISSIONER MONTOYA: Aye.

4 MS. CREEDON: Commissioner Robles.

5 COMMISSIONER ROBLES: Aye.

6 MS. CREEDON: Commissioner Steele?

7 COMMISSIONER STEELE: Aye.

8 MS. CREEDON: Commissioner Cornella?

9 COMMISSIONER CORNELLA: Aye.

10 MS. CREEDON: Commissioner Cox?

11 COMMISSIONER COX: Aye.

12 MS. CREEDON: Commissioner Davis.

13 COMMISSIONER DAVIS: Aye.

14 MS. CREEDON: Mr. Chairman.

15 CHAIRMAN DIXON: Aye.

16 MS. CREEDON: Mr. Chairman, the vote is eight ayes

17 and zero nays.

18 CHAIRMAN DIXON: The motion is unanimously adopted.

19 Mr. Owsley.

20 MR. OWSLEY: Thank you. The next activity that

21 will be discussed is the Naval Air Warfare Center, Lakehurst,

22 New Jersey.

1 The Department of Defense recommendation is to
2 close the Naval Air Warfare Center, Aircraft Division, in New
3 Jersey, except transfer in place certain facilities and
4 equipment to the Naval Air Warfare Center, Aircraft Division,
5 Patuxent, Maryland; relocate other functions and associated
6 personnel and equipment to the Naval Air Warfare Center,
7 Aircraft Division, Patuxent River, Maryland, and the Naval
8 Aviation Depot, Jacksonville, Florida; relocate the Naval Air
9 Technical Training Center, Detachment Lakehurst, to Naval Air
10 Station, Pensacola, Florida; relocate the Naval Mobile
11 Construction Battalion to the Army's Communication Electronic
12 Command, Airborne Engineering Evaluation Support Activity,
13 and the Defense Reutilization and Marketing Office to other
14 government-owned spaces.
15 Lakehurst is the Navy's primary installation. It
16 performs aircraft launch and recovery/research development
17 tests and evaluations, prototyping and manufacturing for
18 catapult and carrier platform functions.
19 The Joint Cross Service Group for Laboratory
20 recommended all in-service engineering fixed-flight sub-
21 system be consolidated at Lakehurst. The Navy estimates one-
22 time closure costs of $97 million, with a return on

1 investment in three years after implementation.

2 The Navy also estimates this will result in a net

3 present value of $358 million.

4 I will address three major issues that have come up

5 on this subject: the dismantlement of interdependent

6 functions, the effects on fleet emergency response, and

7 closure cantonment costs for this recommendation.

8 The DOD recommendation will dismantle

9 interdependent functions from Lakehurst and relocate them to

10 other Naval facilities. The DOD has stated there may be some

11 industrial economic performance advantages by splintering

12 this installations functions.

13 The community identified a 99 percent success rate

14 for the products Lakehurst produces. The catapult operation

15 at Lakehurst is responsible for it cannot afford to suffer

16 even a minor change in the percentage of availability.

17 Each function at Lakehurst is interdependent on the

18 other. The catapult research development, test and

19 evaluation function depend on the prototyping and

20 manufacturing of materials.

21 The Navy wants to break this apart and send the

22 functions from New Jersey, south to Florida. The Navy

1 recommends Lakehurst be cantoned with the R&D facilities
2 remaining in New Jersey.
3 The functions that would move to Florida would
4 remain dependent on the facilities remaining in New Jersey.
5 Lakehurst interdependent functions are essential to
6 fleet emergencies, and when they exist together, Lakehurst
7 can respond instantaneously with all resources in one place.
8 The response time to fleet emergencies will be
9 vulnerable to the necessary travel of parts and personnel
10 between Lakehurst and Jacksonville. It is estimated it will
11 take 50 days longer to respond to carrier catapult
12 emergencies if the DOD recommendation is implemented.
13 The Naval Air Technical Training Facility has
14 recommended to transfer to the Naval Air Station, Pensacola.
15 The Navy estimated in the COBRA costs sufficient funds to
16 dismantle, pack and ship to Florida. However, they did not
17 provide any of the naval air systems command's Certified
18 MILCON required to reconstruct this facility.
19 This cost was inserted into the Commission's COBRA.
20 Chart D-15, please.
21 Those are the major items regarding Lakehurst. I
22 am available to answer any questions you may have.

1 CHAIRMAN DIXON: Do any of my colleagues have
2 questions of Mr. Owsley on Lakehurst?
3 COMMISSIONER MONTOYA: I have a question.
4 CHAIRMAN DIXON: Commissioner Montoya.
5 COMMISSIONER MONTOYA: Would you happen to have an
6 overview of the facility and, using that, describe the
7 closure scenario and then the future testing scenario
8 associated with this?
9 MR. KERNS: Yes, we do have. Can you bring out
10 Backup 69-A?
11 MR. OWSLEY: What this view is, Commissioner, is --
12 the heavy yellow line is the Navy's recommended cantonment
13 area which would embody the catapult and the sled operations
14 that you can see in the long concrete area that is shown
15 there.
16 What happens now, if you look at the blue areas,
17 they will take those functions which are on the base --
18 because that area is part of the base and they will move them
19 into the cantonment area.
20 What happens if there is a part that comes back in
21 failed now, or if there is an emergency in the fleet, all the
22 activities are in this one facility to respond very quickly.

1 The Navy concurs in this.

2 They have no problem that the rapid response is

3 there.

4 What happens, as you can see, is a very short

5 movement of parts, engineering prototypes and things, if you

6 do have a problem -- to get them out, test them on the sled,

7 take them back into the engineering area, evaluate them; if

8 you need, go back out, again, or to the catapult area.

9 What would happen under the cantonment is that the

10 catapult and those things would be kept there because they --

11 Initially the Navy had proposed moving them, but it turned

12 out to be way too costly, so what they are doing is

13 separating the in-service engineering functions and moving

14 them to other Navy facilities.

15 They are taking the support equipment, the yellow

16 boxes, as you and I know them, that are done there to support

17 these activities, and they are moving those to Pax River.

18 They are moving the manufacturing or the prototype shop that

19 responds quickly to fixes, or takes the design engineering

20 part for this development and makes it quickly so the

21 engineers can see what they have done -- they are moving that

22 to Jackson -- or, propose to move that to Jacksonville.

1 Now is there any other commissioner who would like to make
2 any statement or ask any question?
3 COMMISSIONER CORNELLA: Mr. Chairman.
4 CHAIRMAN DIXON: Commissioner Cornella.
5 COMMISSIONER CORNELLA: I would just like to
6 respond briefly, and I will keep it brief. I just wanted to
7 add that I also believe the key to readiness is also
8 training. It is also equipment. It is also money. And for
9 us to maintain excess infrastructure at the expense of our
10 young men and women in the military, I think would be
11 inexcusable. And I know there is a fine line that we have to
12 reach in there somewhere, whether we decide today to close
13 zero, one, or two, I think we need to keep that issue in mind
14 also.
15 Thank you, Mr. Chairman.
16 CHAIRMAN DIXON: I thank you, Commissioner
17 Cornella. And Commissioner Kling.
18 COMMISSIONER KLING: Just one last thing. We
19 voted. We started out by voting on our labs and our high
20 tech and our sophisticated areas and we voted on every one of
21 those to reject the Department of Defense's recommendation.
22 We can't have it all ways. We either have to be able to

1 support our sophisticated and our future development and
2 research and training or we have to reduce the sums from our
3 infrastructure some way.
4 The only place it seems to me from what we're doing
5 that we have to reduce that infrastructure. We have some room
6 and we have the capability as being presented and we do have
7 the over-capacity as from the depot that we have here, and
8 that is why I support the reducing of the number of depots.
9 CHAIRMAN DIXON: I thank you, Commissioner Kling.
10 Now is there any other commissioner who would like to make
11 any statement?
12 COMMISSIONER ROBLES: Mr. Chairman.
13 CHAIRMAN DIXON: Commissioner Robles.
14 COMMISSIONER ROBLES: Mr. Chairman, the buck stops
15 here. I would like to make a motion.
16 CHAIRMAN DIXON: Commissioner Robles, you are
17 recognized for a motion.
18 M O T I O N
19 COMMISSIONER ROBLES: I move the commission find
20 the Secretary of Defense deviated substantially from final
21 criteria one, four, and five, in the force structure and,
22 therefore, the commission reject the Secretary's

1 recommendation on air logistics centers at Hill Air Force
2 Base, Utah; Kelly Air Force Base, Texas; McClellan Air Force
3 Base, California; Robins Air Force Base, Georgia; and Tinker
4 Air Force Base, Oklahoma, Texas; and, instead, adopt the
5 following: to close McClellan Air Force Base, California,
6 including the air logistics centers and the defense
7 distribution depot, Sacramento; to retain the radiation
8 center and make it available for dual use and/or research, or
9 close as appropriate; to consolidate the remaining workloads
10 to other DOD depots as determined by the Defense Depot
11 Maintenance Council and/or to private sector commercial
12 activities; to move the required equipment and any required
13 personnel to the receiving locations. All other activities
14 and facilities at the base will close. The commission finds
15 this recommendation is consistent with the force structure
16 plan and final criterion.
17 CHAIRMAN DIXON: Is there a second to the motion of
18 Commissioner Robles?
19 COMMISSIONER CORNELLA: I second the motion.
20 CHAIRMAN DIXON: It is seconded by Commissioner
21 Cornella and the counsel will call the roll.
22 MS. CREEDON: Mr. Chairman.

1 CHAIRMAN DIXON: Aye.

2 MS. CREEDON: Commissioner Steele.

3 COMMISSIONER STEELE: Aye.

4 MS. CREEDON: Commissioner Robles.

5 COMMISSIONER ROBLES: Aye.

6 MS. CREEDON: Commissioner Montoya.

7 COMMISSIONER MONTOYA: Nay.

8 MS. CREEDON: Commissioner Kling.

9 COMMISSIONER KLING: Aye.

10 MS. CREEDON: Commissioner Davis.

11 COMMISSIONER DAVIS: Aye.

12 MS. CREEDON: Commissioner Cox.

13 COMMISSIONER COX: No.

14 MS. CREEDON: Commissioner Cornella.

15 COMMISSIONER CORNELLA: Aye.

16 MS. CREEDON: Mr. Chairman, the votes are six ayes

17 and two nays.

18 CHAIRMAN DIXON: The commission has voted six to

19 two in favor of closure at McClellan, in accordance with the

20 motion of Commissioner Robles. Now the chair is going to

21 declare a seven-minute recess and will gavel us into the

22 hearing again at precisely 10 minutes after 11:00.

1 (A brief recess was taken.)

2 CHAIRMAN DIXON: Ladies and gentlemen, we are going
3 to return to the last vote. There is a correction required,
4 I understand, from counsel to that last motion. And so
5 without any further discussion -- well, no, not without any
6 further discussion. If anybody has any discussion, that's
7 all right. But we are going to go to that motion again.

8 Commissioner Robles, let the record show that this
9 will be a motion, a corrective motion, with respect to the
10 activity that just took place regarding the last motion put
11 by Commissioner Robles. Commissioner Robles, you are
12 recognized again to correct that last motion.

13 M O T I O N

14 COMMISSIONER ROBLES: Thank you, Mr. Chairman. I
15 would like to make a motion to amend the motion I just made
16 to close McClellan Air Force Base. I move the motion to
17 close McClellan Air Force Base be amended to read, in
18 addition to everything that we had voted on and I read
19 before, to add the following: to move the common use ground
20 communication electronics to Tobyhanna Army Depot,
21 Pennsylvania.

22 CHAIRMAN DIXON: All right. Is there a second to

1 that motion?

2 COMMISSIONER COX: Second.

3 CHAIRMAN DIXON: Seconded by Commissioner Cox. And

4 the counsel will call the roll.

5 COMMISSIONER CORNELLA: Discussion, please.

6 CHAIRMAN DIXON: Pardon me, Commissioner Cornella.

7 COMMISSIONER CORNELLA: I am concerned about

8 directing the move and destination of individual missions.

9 Today we will consider the closure of more than one air

10 logistics center. While I fully support cross-servicing, I

11 still feel the Air Force needs the latitude to decide where

12 missions will be moved.

13 CHAIRMAN DIXON: Thank you, Commissioner Cornella.

14 Are there any further comments before we take a vote on this

15 corrective motion by Commissioner Robles? If not, the

16 counsel will call the roll.

17 MS. CREEDON: Mr. Chairman.

18 CHAIRMAN DIXON: Aye.

19 MS. CREEDON: Commissioner Steele.

20 COMMISSIONER STEELE: Aye.

21 MS. CREEDON: Commissioner Robles.

22 COMMISSIONER ROBLES: Aye.

1 MS. CREEDON: Commissioner Montoya.

2 COMMISSIONER MONTOYA: No.

3 MS. CREEDON: Commissioner Kling.

4 COMMISSIONER KLING: Aye.

5 MS. CREEDON: Commissioner Davis.

6 COMMISSIONER DAVIS: Aye.

7 MS. CREEDON: Commissioner Cox.

8 COMMISSIONER COX: I'm sorry. We're voting only on

9 the amendment?

10 CHAIRMAN DIXON: Only on the motion, only on the

11 amendment.

12 COMMISSIONER COX: Aye.

13 MS. CREEDON: Commissioner Cornella.

14 COMMISSIONER CORNELLA: No.

15 MS. CREEDON: Mr. Chairman, the votes on the

16 amendment to the motion are six ayes and two nays.

17 CHAIRMAN DIXON: And the chair announces that the

18 votes are six ayes and two nays and the correction is made to

19 the previous amendment offered by the distinguished

20 commissioner, Commissioner Robles. Adding to that amendment,

21 that motion, with this additional amendatory language.

22 And is counsel satisfied the record is clear on

1 that?

2 MS. CREEDON: Yes, sir.

3 CHAIRMAN DIXON: What is the further pleasure of

4 the commission with respect to the remaining four air

5 logistic center installations and depots? Is there any

6 further discussion?

7 (No response.)

8 CHAIRMAN DIXON: Is there any further discussion at

9 this time?

10 (No response.)

11 M O T I O N

12 CHAIRMAN DIXON: Commissioners, I move the

13 commission find the Secretary of Defense deviated

14 substantially from final criteria one, four, and five, and

15 the force structure and, therefore, the commission reject the

16 Secretary's recommendation on air logistics centers at Hill

17 Air Force Base, Utah; Kelly Air Force Base, Texas; McClellan

18 Air Force Base, California; Robins Air Force Base, Georgia;

19 and Tinker Air Force Base, Oklahoma, and instead adopt the

20 following recommendation: realign Kelly Air Force Base,

21 Texas, including the air logistics center and the defense

22 distribution depot, San Antonio; consolidate the workloads to

1 designated receiver locations as determined by the Defense
2 Depot Maintenance Council; move the required equipment and
3 any required personnel to the receiving locations. The air
4 field and all associated support activities and facilities
5 will be attached to Lackland Air Force Base, Texas, as will
6 the following units: the Air Intelligence Agency, including
7 the cryptologic depot; the 433rd Airlift Wing; the 149th
8 Fighter Wing; and the 1827th Engineering Installation
9 Squadron. The commission finds this recommendation is
10 consistent with the force structure plan and final criteria.
11 And that is the motion with respect to Kelly and
12 the chair inquires as to whether there is a second.
13 COMMISSIONER CORNELLA: I second the motion.
14 CHAIRMAN DIXON: That motion is seconded by
15 Commissioner Cornella. Is there any comment or any
16 discussion of any kind whatsoever?
17 COMMISSIONER DAVIS: Mr. Chairman.
18 CHAIRMAN DIXON: Commissioner Davis.
19 COMMISSIONER DAVIS: Sir, I won't repeat the
20 rhetoric that I did some time ago, but as you know for me
21 personally and my concern that the severe damage this will
22 cause to out-year program such as the F-22, the B-2, the C-

1 17, and those things that the Air Force is going to have to
2 pay for that might not have the money for in this process.
3 And I would like to take this time to urge my
4 fellow commissioners to reject this motion simply because the
5 Air Force has downsized its capability in its depots by 32
6 percent before we voted on McClellan ALC.
7 And I would request the honor of going first on the
8 vote, sir.
9 CHAIRMAN DIXON: Commissioner, you have that honor.
10 Are there any further comments?
11 COMMISSIONER ROBLES: Mr. Chairman.
12 CHAIRMAN DIXON: Commissioner Robles.
13 COMMISSIONER ROBLES: I have to echo the comments
14 of my fellow commissioner. I think that all of us who sit at
15 this table have stepped up to the plate. We just voted to
16 close one air logistics center. I think voting to close a
17 second air logistics center is absolutely the wrong thing to
18 do. I think not only does it impact near-term operations but
19 it will have a substantial impact in the future of the Air
20 Force's capability to do its engine work and it's C-5 work.
21 So I urge my fellow commissioners in the strongest
22 term to not try to bring this capacity down to such a small

1 number that we are going to put that at jeopardy.

2 CHAIRMAN DIXON: Are there any further comments by

3 any commissioner?

4 (No response.)

5 CHAIRMAN DIXON: I ask counsel to call the name of

6 Commissioner Davis first.

7 MS. CREEDON: Commissioner Davis.

8 COMMISSIONER DAVIS: No.

9 MS. CREEDON: Mr. Chairman.

10 CHAIRMAN DIXON: Commissioner Cox.

11 MS. CREEDON: I'm sorry. Commissioner Cox.

12 COMMISSIONER COX: Aye.

13 CHAIRMAN DIXON: Oh, excuse me. I thought that

14 Commissioner Cox asked to be recognized.

15 COMMISSIONER COX: No.

16 CHAIRMAN DIXON: I apologize. I will vote, if you

17 don't mind. My name was called, Commissioner. Aye.

18 Commissioner Cox has voted aye.

19 MS. CREEDON: Commissioner Robles.

20 COMMISSIONER ROBLES: Nay.

21 MS. CREEDON: Commissioner Steele.

22 COMMISSIONER STEELE: Aye.

1 MS. CREEDON: Commissioner Kling.

2 COMMISSIONER KLING: Aye.

3 MS. CREEDON: Commissioner Cornella.

4 COMMISSIONER CORNELLA: Aye.

5 MS. CREEDON: Commissioner Montoya.

6 COMMISSIONER MONTOYA: Mr. Chairman, I ask to vote
7 last because I am really troubled by this. I have high
8 regard for my two military colleagues but I also have
9 tremendous regard for the Air Force and the Congress and I
10 feel that a five to six-year closure profile that if we've
11 done the wrong thing today that they will make it right
12 before it's too late because of their ability to change laws
13 and to reexamine things.

14 I do not want the record to show that this was all
15 split along three military members opposing our six, or our
16 five very distinguished civilian colleagues and, also, I
17 think it's right to require a change in approach to manage
18 our production capability, and so I vote aye.

19 CHAIRMAN DIXON: Commissioner Montoya votes aye.

20 MS. CREEDON: Mr. Chairman, the votes are six ayes
21 and two nays.

22 CHAIRMAN DIXON: The vote is six ayes, two nays,

1 and the motion carries. Will the staff accommodate the
2 commission by changing to those who will now prepare for
3 their presentation on Army depots?
4 Have we everyone up at the table that will be part
5 of the presentation on Army depots?
6 MR. LYLES: Yes, sir, Mr. Chairman. We are ready
7 to proceed.
8 CHAIRMAN DIXON: Where is Mr. Owsley? Is he part
9 of that presentation? Who will proceed?
10 MR. LYLES: Mr. Chairman, we are ready to proceed
11 and the discussion of Army depots will be a joint
12 presentation by the army team headed by Ed Brown with Bob
13 Miller, and also Jim Owsley and Glenn Knoepfle will also take
14 part in this discussion. But we are ready to proceed, sir.
15 CHAIRMAN DIXON: All right. And who will proceed
16 first? Mr. Brown?
17 MR. BROWN: I will, Mr. Chairman.
18 CHAIRMAN DIXON: Thank you, Mr. Brown.
19 MR. BROWN: Good morning, Mr. Chairman and
20 commissioners. The chart on page C-1 in your book and the
21 accompanying map on page C-2 show the names and locations of
22 the Army's five depots. In developing its recommendations,

1 the Army was guided by its operational blueprint to retain
2 core capability size to support the sustainment needs while
3 consolidating functionally maintaining separate electronic
4 oriented ground and air depots.
5 Tobyhanna is the electronics oriented depot.
6 Anniston, Red River and Letterkenny are ground combat vehicle
7 depots. Letterkenny is also the depot at which the 1993
8 commission consolidated tactical missile maintenance. Corpus
9 Christi, located on Naval Air Station Corpus Christi, serves
10 as the Army's aviation oriented depot, having responsibility
11 for repair and overhaul of rotary wing aircraft.
12 In performing its military value analysis, the Army
13 analyzed installations, not activities on installations.
14 Hence, there is no military value ranking for Corpus Christi.
15 The Secretary of Defense recommended the closure of
16 Red River Army Depot, Texas, and the realignment of
17 Letterkenny Army Depot, Pennsylvania. These recommendations
18 are in agreement with alternatives developed by the joint
19 cross service group for depot maintenance.
20 On May 10th the commission added Tobyhanna Army
21 Depot, Pennsylvania, and Letterkenny Army Depot for further
22 consideration for closure. The staff suggests that the

1 commission hear the briefings on all the Army's depots before
2 voting on any recommendations or alternatives. Lieutenant
3 Colonel Bob Miller will discuss the first depot, Red River,
4 and the Army's desire to consolidate its ground combat
5 vehicle maintenance into a single depot. Mr. Glenn Knoepfle
6 will discuss Letterkenny and Tobyhanna.
7 CHAIRMAN DIXON: Mr. Brown, we will proceed as you
8 have requested, and that is the way we did on the Air Force
9 and we'll do that the same way on the Army. Do all your
10 presentations. Any questions in view of request by
11 Commissioner Steele and others the last time, I think as we
12 go along we do charts. If a commissioner has a question I
13 believe it's in the context of that moment the best time to
14 ask the question anyway so I think Commissioner Steele was
15 entirely right about that.
16 So as we go along you may be interrupted, but when
17 we have concluded everything we will then come to the vote.
18 MR. BROWN: Lieutenant Colonel Bob Miller.
19 LIEUTENANT COLONEL MILLER: Good morning. Could we
20 have the next chart, please? Chart C-3 is a base analysis
21 chart for Red River Army Depot, the Army's recommendation,
22 and also for the Distribution Defense Depot for Red River,

1 the co-located defense depot for Red River, the co-located
2 defense depot for Defense Logistics Agency.
3 Red River Army Depot provides a variety of
4 sustainment missions for the Department of Defense. The key
5 are maintenance and overhaul of light combat vehicles,
6 remanufacture of road wheels, tires and track shoes, as well
7 as the storage and maintenance of ammunition. Co-located
8 with the Army depot are several tenants, the largest of which
9 is the Defense Distribution Depot, Red River. These
10 activities perform their missions with outstanding results.
11 The Department of Defense's justification for
12 closing Red River Army Depot is that current ground
13 maintenance depot capacity exceeds requirements. Red River
14 can not assume the heavy mission -- the heavy combat vehicle
15 mission from Anniston without considerable and costly
16 modifications. Available capacity at Anniston makes
17 realignment of Red River most logical. Closure of Red River
18 Army Depot is consistent with the recommendations of the
19 joint cross service group for depot maintenance.
20 The justification for closing the Defense
21 Distribution Depot is its co-location with the maintenance
22 depot under the recommendation for closure.

1 As you see, there are two columns of numbers. They
2 represent the Red River Army Depot in the center column and
3 the Defense Distribution Depot to the right. Most important
4 for Red River Army Depot are the high net present value and
5 personnel impacts. Also notice that the Army shows an
6 immediate return on investment.
7 Next chart. In our analysis we reviewed several
8 issues. I will brief those issues shown on the left. I am
9 also prepared to discuss any of the issues shown to the right
10 should you desire.
11 Next chart. Chart C-5 is a summary of the first
12 two major issues, and they are for Red River Army Depot. The
13 key issues enclosing Red River Army Depot is the capability
14 of Anniston Army Depot to assume responsibility for all
15 ground combat vehicle depot maintenance. Should the
16 commission decide to close Red River and Letterkenny Army
17 Depot, Anniston will be the only depot available for depot
18 maintenance of ground combat vehicles.
19 Review of Anniston's capability shows that
20 consolidation of these missions is possible. After assuming
21 combat vehicle workload from Red River and Letterkenny,
22 Anniston would be operating at 78 percent of peacetime

1 capacity on a 40-hour or one-shift, eight-hour, five-day work
2 schedule. Projections for wartime requirements would require
3 Anniston to operate on a two-shift, eight-hour, seven-day-a-
4 week schedule. This is based on a projected workload of 8.4
5 million man-hours in a wartime. And 7.7 of these actual man-
6 hours would be for ground combat vehicles and the rest for
7 support equipment.
8 The impact on the local economy, as the second
9 issue shows, is significant in the Texarkana area. DOD
10 forecasts a 7.8 percent impact for Red River Army Depot alone
11 and the cumulative impact is 6.6 percent. As shown, the
12 community even forecasts a higher number of 21 percent.
13 Chart C-6 are the two major issues for Defense
14 Distribution Depot Red River. Unlike most co-located defense
15 distribution depots, the depot at Red River has a
16 distribution mission that is 80 percent to customers other
17 than the maintenance activities co-located or part of Red
18 River Army Depot.
19 COMMISSIONER COX: I'm sorry. 80 percent of the
20 work they do there doesn't have anything to do with the
21 depot?
22 LIEUTENANT COLONEL MILLER: 80 percent of the

1 distribution mission that's accomplished by DLA out of
2 Defense Distribution Depot Red River supports customers other
3 than Red River Army Depot, for example, Fort Hood, Fort
4 Carson.
5 COMMISSIONER COX: I see. Is that normally DLAs
6 would have a greater percentage of their work have to do with
7 the depot?
8 LIEUTENANT COLONEL MILLER: Normally, the co-
9 located depot with a maintenance activity would be the
10 inverse of that; 80 percent of the mission would be to
11 support the maintenance activity where 20 percent would be
12 customers other than what's on the installation.
13 COMMISSIONER COX: So is this unusual because of
14 Fort Hood and some of the other installations around there?
15 It's in a place that it tends to be useful for those others?
16 LIEUTENANT COLONEL MILLER: It is centrally
17 located. Being in Texas it's close to Fort Hood, Fort
18 Carson, Fort Riley, Fort Bliss, and so on. I would probably
19 turn to the DLA team.
20 COMMISSIONER COX: We can get on with it. I just
21 was surprised to see that.
22 LIEUTENANT COLONEL MILLER: Okay.

1 CHAIRMAN DIXON: Commissioner Robles.

2 COMMISSIONER ROBLES: I wold like to clarify that
3 as a division commander who commanded the division of Red
4 River and Fort Riley and I was one of its big customers.
5 That is uniqueness of Red River. Red River sits in close
6 proximity to four of the Army's heavy mechanized forces, plus
7 an armored CAV regiment, which is a preponderance of its
8 heavy combat power. Their mission was to give us all the
9 repair parts we need to fix our force so it was ideally
10 suited there and that is probably an anomaly because no other
11 DLA distribution depot is so geographic -- just happens to be
12 sitting perfectly in the perfect geographic spot.

13 COMMISSIONER KLING: Can that be picked up from the
14 remaining depots if this was not there? Can that capability
15 be picked up like that?

16 LIEUTENANT COLONEL MILLER: If you look at the
17 other depots, I think if you took all the defense
18 distribution depots for the DOD's recommendations, there
19 would still be an excess of storage capacity; however, that
20 might not be true based on the ALC recommendations that were
21 just voted on.

22 COMMISSIONER ROBLES: Commissioner Kling, if I

1 could just comment a second. I am going to give you a ware
2 fighter's perspective. As you know, we have gone through an
3 enormous amount of change in the Department of Defense, a lot
4 of it precipitated by some wonderful things called the
5 Defense Management Review Initiatives. And one of the things
6 that the Defense Management Review Initiatives did was to
7 downsize the amount of inventory the tactical units carry in
8 their stores. They wanted -- it's analogous to the just-in-
9 time inventory concept in the private sector.
10 So what we basically have done is we said since we
11 are only -- we're going to draw down our inventories of
12 repair parts and things we need to keep our force viable. We
13 will count on the distribution depots being able to deliver
14 the needed parts just in time. To the extent you move it
15 from right there to some more geographically dispersed place,
16 yes, you get the repair parts but you will add days and, in
17 some cases, weeks to that pipeline. And I'm just saying if I
18 were wearing my big red one patch today I would be over there
19 arguing like crazy that's a dumb thing to do.
20 COMMISSIONER KLING: Why would that be?
21 COMMISSIONER ROBLES: Because as you stretch that
22 pipeline out and move that to other distribution depots that,

1 one, don't have the background in sorting those kind of very
2 unique parts for combat systems and as you stretch it out,
3 the order ship time just will go up. It will go up because
4 you have fewer of those distribution hubs and so they -- the
5 law of large numbers. They service a lot more customers.
6 And even though from a businessman it's hard to
7 envision that not being a very efficient process, it's not
8 the same as shipping dresses or shipping widgets. The
9 business of shipping repair parts for Army combat vehicles,
10 there are 6,600 plus combat vehicles in the Army Mechanized
11 Division and they carry some 7,000 lines of repair parts and
12 they go in size from something that's huge to something
13 that's small, and it is a complex business.
14 I tell you, I spent my whole adult life trying to
15 fix that distribution system and I think expanding it out
16 farther away will make it even worse. Just my professional
17 judgment.
18 COMMISSIONER COX: Mr. Borden, I wonder if I could
19 just ask a technical question. This recommendation came from
20 the DOD and I know a lot of them, the DLA and the depot
21 recommendations come together. It seems to me we ought to at
22 least be considering the DLA section given that workload

1 separately. Will we be considering this together or could we
2 consider those separately?
3 CHAIRMAN DIXON: Do you understand the question?
4 MR. BORDEN: Bob Cook, come here. I'll start out
5 answering your question and Bob can give you more specifics.
6 COMMISSIONER COX: Okay.
7 MR. BORDEN: I believe the recommendation came to
8 us as two separate recommendations.
9 COMMISSIONER COX: Two separate. So we could do
10 that separately.
11 MR. BORDEN: One for Red River and then one for the
12 DLA distribution depot. Is that correct?
13 MR. COOK: That's true.
14 COMMISSIONER COX: Okay.
15 CHAIRMAN DIXON: Now let me get the record
16 straight. I don't like to interrupt people here, but that's
17 not Director Lyles. Does the reporter know who that is?
18 MR. COOK: No, sir, Mr. Chairman.
19 CHAIRMAN DIXON: Do you know who that is, reporter?
20 Please identify yourself.
21 MR. COOK: Mr. Chairman, my name is Bob Cook and I
22 am the inter-agency issues team lead. And we will in the

1 next couple days be briefing the Defense Logistics Agency.

2 They were indeed, Commissioner Cox, presented

3 individually by DOD and the DLA. As a result of previous

4 votes that concern the ALCs, DLA now has a significant

5 shortfall and we will be briefing those. So I would suggest

6 that perhaps the vote on the distribution depot and the DLA

7 portion be slipped until we do that presentation.

8 COMMISSIONER COX: I think that's a good

9 suggestion, if everyone would agree.

10 CHAIRMAN DIXON: I think that it is apparent that

11 the commissioners agree with you, Commissioner Cox.

12 MR. COOK: Thank you, Mr. Chairman.

13 CHAIRMAN DIXON: Are there further -- where are we

14 here now?

15 COMMISSIONER COX: Just to make it clear --

16 CHAIRMAN DIXON: Commissioner Cox.

17 COMMISSIONER COX: -- any vote we now take would be

18 on the depot only. We would not be voting on the outcome of

19 the DLA at Red River Base.

20 CHAIRMAN DIXON: Is that the staff's view as well?

21 MR. COOK: Yes, sir, Mr. Chairman. I would suggest

22 that we do just that in light of the area distribution

1 function that the Defense Depot Red River has, which is
2 dissimilar to most of the other co-located depots.
3 CHAIRMAN DIXON: And that is Mr. Cook again,
4 reporter. Okay, now how are we doing here?
5 COMMISSIONER COX: Great.
6 CHAIRMAN DIXON: Anybody else have a question? Are
7 we able to proceed? Now who is up to bat? Is it you, Mr.
8 Owsley?
9 MR. OWSLEY: Sir, Bob Miller is continuing.
10 COMMISSIONER CORNELLA: Mr. Chairman.
11 CHAIRMAN DIXON: Commissioner Cornella.
12 COMMISSIONER CORNELLA: I would ask that we would
13 discuss and decide on both of these issues together. If we
14 postpone the DLA side, I don't think it's appropriate to take
15 a vote because that may impact whether or not the depot side
16 remains.
17 CHAIRMAN DIXON: Where is my director? Could you
18 come here, Mr. Lyles, and help us a little bit here? Can you
19 get down here? Mr. Cook is usurping your throne. Now, will
20 you resolve this issue for us so that we can figure out how
21 to proceed on this matter? We are having a procedural
22 difficulty here.

1 MR. LYLES: Yes, sir, Mr. Chairman, I will try to.
2 The recommendations on both Letterkenny and on Red River
3 include also the closure of the defense distribution depot at
4 both facilities. That was part of the Defense Department's
5 recommendation in both cases.
6 The defense distribution center at Red River is
7 different from others in that a large percentage of its
8 customers are outside the depot. The commission really has
9 two choices. One, whether to vote on the defense
10 distribution -- the closure, the proposed closure of the
11 defense distribution center at Red River at the same time
12 that you vote on the question of whether or not to close the
13 depot, or you could delay the vote on the defense
14 distribution center at Red River until you discuss all of the
15 depots in the defense agency's portion of the presentations,
16 probably sometime tomorrow or Saturday.
17 CHAIRMAN DIXON: If the chair could have a moment,
18 if you would indulge the chair only a moment to hear from
19 counsel so at least I know what my lawyer is telling me.
20 May I have the attention of the staff and the
21 commission? Now, there have to be two separate motions on
22 each of these. That is the counsel's clear opinion. Is that

1 right?

2 MS. CREEDON: Yes, sir.

3 CHAIRMAN DIXON: Now, we can vote them, you know,

4 simultaneously with reference to each of the installations or

5 we can slip the DLA part till later. Counsel advises we can

6 do that. Now, it's simply a procedural question and the

7 chair is --

8 COMMISSIONER ROBLES: No, Mr. Chairman, I don't

9 think it's a procedural question, if I might.

10 CHAIRMAN DIXON: All right.

11 COMMISSIONER ROBLES: What I heard Mr. Cook say is

12 that not only is this distribution depot different than most

13 other DLA distribution depots because of its great amount of

14 repair parts and other supplies it provides to the mechanized

15 force in the central United States, but also because of just

16 the recent votes we took in closing those two air logistics

17 centers, there will be an impact on DLA distribution centers

18 in total and you have to factor that input first before you

19 vote on this.

20 So there is a two-headed sword here. Not only do

21 you have to worry about that it's 80 percent to its central

22 customers, but now we have closed two air logistics centers

1 by our vote and there is going to be an impact on DLA and
2 we've got to factor that in.
3 CHAIRMAN DIXON: You're absolutely correct. One
4 man at a time can make our lady, as the case may be, please.
5 Now, Commissioner Robles, what are you saying you want us to
6 do in view of that sage observation?
7 COMMISSIONER ROBLES: Well, the observation is that
8 because of that dilemma it would have been normally easy to
9 go say let's look at the depot function and the maintenance
10 function, but if you separate that and wait till we do the
11 logistics analysis we are probably going to get disconnected.
12 So I think the best compromise may be to go through
13 the three depots and look at the maintenance, then follow
14 that on with the DLA presentations, if you can get there that
15 fast, so at least you have some linkage there. Otherwise,
16 either that or we all have to concentrate extra hard to
17 remember what was said about the maintenance function on the
18 decision until they make the presentation from DLA. And I
19 don't know that the staff is capable of pulling all that
20 together that quickly.
21 COMMISSIONER DAVIS: Mr. Chairman, I might remind
22 that we have already voted on two DLA functions.

1 CHAIRMAN DIXON: The chair is aware of that. Thank
2 you, Commissioner Davis. Commissioner Kling.
3 COMMISSIONER KLING: And I would be much more
4 comfortable having voted on those two Air Force depots to get
5 our information altogether as far as depots overall when we
6 get it later, and I would rather from this -- I think we are
7 going to do a better job if we just concentrate on the depot
8 alone at this time as far as Red River and Letterkenny and so
9 forth goes.
10 CHAIRMAN DIXON: Do I have a consensus of my
11 commissioners on this?
12 COMMISSIONER COX: I'm not sure I understand what
13 the consensus is.
14 CHAIRMAN DIXON: Well, I'm trying to find out are
15 we all satisfied to vote on depots only at this point in
16 time.
17 COMMISSIONER COX: And we'll get DLAs altogether
18 later.
19 CHAIRMAN DIXON: Right.
20 COMMISSIONER KLING: Particularly in light of --
21 COMMISSIONER COX: With Memphis and the other DLAs.
22 COMMISSIONER KLING: And particularly in light of

1 the fact of our past vote here just with the Air Force.

2 COMMISSIONER COX: Right. And particularly in

3 light of the fact that at least this one even if we close the

4 maintenance depot at Red River we may well not close the DLA.

5 I just don't want us to get in a position of necessarily

6 linking that. We have the option.

7 CHAIRMAN DIXON: All right. Now, Commissioner Cox,

8 I want to ask you all whether I understand what you are

9 individually trying to say. I think I sense we have

10 consensus that we vote on the Army depots now and take the

11 DLAs later when we get to that section of the presentation.

12 Is that satisfactory with everybody? Do I have a consensus

13 on how we do this?

14 COMMISSIONER CORNELLA: You have one objection, so

15 you don't have a consensus.

16 CHAIRMAN DIXON: All right. Let me hear from you.

17 COMMISSIONER MONTOYA: You have two, sir.

18 CHAIRMAN DIXON: Wait a minute now. Okay.

19 Commissioner Cornella, what makes you happy?

20 COMMISSIONER CORNELLA: South Dakota.

21 CHAIRMAN DIXON: Well, everybody can understand

22 that. Commissioner Cornella, besides that, tell us what --

1 COMMISSIONER CORNELLA: I think the -- you know,
2 the issue is that these are really tied together. I believe
3 that if we would vote at a later time to keep the DLA at Red
4 River, DLA, that it would really impact my decision on what
5 we were going to do with the repair depot, so I don't see how
6 we separate them at this time.
7 COMMISSIONER MONTOYA: And, Mr. Chairman, I am in
8 the same camp as Mr. Cornella.
9 COMMISSIONER DAVIS: Mr. Chairman, I share
10 Commissioner Cornella's -- we are not presupposing the
11 motion. If we want to separate the DLA function in the
12 motion we can do that; i.e., say either reject DOD or if we
13 were going to take the tack of closing Red River then make
14 the motion to keep that DLA function open because 80 percent
15 of it is --
16 CHAIRMAN DIXON: Would you yield, Commissioner
17 Davis, simply for this because I yield to your expertise on
18 the subject matter. But we are going to have to vote
19 separately on them anyway. You do understand that. We are
20 going to have to have separate votes on Army depots and
21 related DLAs. Is that correct, counsel?
22 MS. CREEDON: That is correct. It would be a total

1 of four votes.

2 CHAIRMAN DIXON: So we are not talking about not

3 having the votes. We are going to have lots of votes for

4 you, you know.

5 COMMISSIONER KLING: Could I ask a question of the

6 staff?

7 CHAIRMAN DIXON: All I am trying to figure out --

8 Commissioner Kling, ask a question -- but how are we going to

9 do it procedurally? Commissioner Kling.

10 COMMISSIONER KLING: My question is to Mr. Cook.

11 Will you be prepared to do this in a better manner if you can

12 think this thing through and pull this whole thing together,

13 including the Air Force? Will we be better off looking at

14 all of the DLAs together and the AL -- I mean, yeah, and the

15 effect that the ALs give?

16 MR. COOK: Yes, we will be prepared to do that,

17 Commissioner Kling.

18 COMMISSIONER KLING: I'm sorry?

19 MR. COOK: We will be prepared to do that in the

20 overall context of the DOD storage picture.

21 COMMISSIONER KLING: Total?

22 MR. COOK: Yes, sir. Across the country.

1 COMMISSIONER KLING: So you would be better -- my
2 question is will you be better off to do this in total as
3 opposed to us looping together one spot right now?
4 MR. COOK: Yes, sir, we can do that later and would
5 be better off doing that from a storage picture. And I can't
6 talk to the maintenance perspective.
7 CHAIRMAN DIXON: Now let me make this observation.
8 I want to get this clear. We might have to have a procedural
9 vote. We can do that. Are the staff people and are you
10 saying, Mr. Cook, you would prefer to do the DLA and have the
11 votes on that later?
12 MR. COOK: Yes, Mr. Chairman.
13 CHAIRMAN DIXON: Okay, it looks like we've got a
14 division up here. Can we just have a division among the
15 commissioners to decide how we do it?
16 COMMISSIONER CORNELLA: Well, I'm wondering if it
17 wouldn't be appropriate that we would do the DLA first
18 because that is going to impact the amount of workload at the
19 depot in the sense that if we decided later and you have
20 eliminated the depot repair side, that is going to be an
21 issue to me.
22 COMMISSIONER COX: I guess the concern --

1 CHAIRMAN DIXON: Could I have an observation,
2 Commissioner Cox, from Director Lyles, because most of you
3 were working with staff when this procedure was put together
4 and this comes up as a surprise to the chair.
5 May I hear from the director?
6 MR. LYLES: Yes, sir, Mr. Chairman. I think what
7 we could do to, if I could be so bold as to suggest something
8 here, what we could do is have a discussion on the Army
9 depots and conclude that discussion, and then we could come
10 back -- Bob, correct me if I'm wrong -- we could come back
11 and have the presentation on the DLA depots involving those
12 two Army depots and then continue with the rest of the cross
13 service group.
14 CHAIRMAN DIXON: Well, now, here, are you saying --
15 and this is what I thought maybe was under discussion earlier
16 -- that we could discuss the DLAs related to these depots
17 with the depots? Now, what is the matter with that? Well,
18 is there anything the matter with that?
19 COMMISSIONER MONTOYA: I'm fine with that.
20 CHAIRMAN DIXON: Is anybody not fine with that?
21 COMMISSIONER COX: My only concern with that --
22 CHAIRMAN DIXON: Speak, Commissioner Cox.

1 COMMISSIONER COX: Is that what we see from
2 Lieutenant Colonel Miller is that unlike other DLA operations
3 which normally do most of their work with the depot, this one
4 does the vast majority of its work unrelated to the depot and
5 so it might be a perfectly reasonable and rational decision
6 to close the depot but not to close the DLA, and that might
7 be particularly true given the fact that we just closed
8 distribution -- a large capacity of distribution system in
9 San Antonio and in Sacramento.
10 CHAIRMAN DIXON: Commissioner Cox, could I
11 interrupt? There are going to be separate votes and it might
12 turn out that way.
13 COMMISSIONER COX: But my concern is, as we know,
14 there are other distribution groups involved that are
15 scheduled for tomorrow -- Memphis, Ogden. And their argument
16 had been if there is needed capacity by virtue of closing two
17 ALCs that they ought to be given the option of filling that
18 needed capacity.
19 And so that we -- particularly since this one -- I
20 mean, honestly, the truth of the matter is Letterkenny's DLA
21 mostly does Letterkenny work. You really wouldn't keep
22 Letterkenny's DLA if you were going to close the maintenance

1 work at Letterkenny. This one is an anomaly and, therefore,
2 might be treated more as a stand-alone facility. My only
3 point is that we should look at DLA capacity altogether, at
4 least as to this one, which seems to be an anomaly.
5 COMMISSIONER KLING: And we may need some capacity
6 from Kelly or someplace to go perhaps to Red River.
7 COMMISSIONER COX: Right, right.
8 CHAIRMAN DIXON: Well, commissioners, you have all
9 made wonderful statements and I still don't know how to
10 proceed. Someday we have to vote. Now, how are we going to
11 do this?
12 COMMISSIONER STEELE: Mr. Chairman, I just have one
13 thought here.
14 CHAIRMAN DIXON: Commissioner Steele.
15 COMMISSIONER STEELE: I see what we could do.
16 Well, we could probably do a hundred things with this group
17 of eight, but two things: We could either vote now on which
18 way we are going to proceed and just move ahead, or we could
19 take, if it's going to take Mr. Cook -- or if Mr. Cook would
20 feel more comfortable doing that section when they have had
21 some time to absorb the impact of our earlier votes, we could
22 move this section to the time we were planning to do the DLA,

1 have it together, as many commissioners would like, but allow
2 the staff to be fully prepared, as they need. I hate to
3 throw that wrench in the hopper but that might --
4 CHAIRMAN DIXON: No, I don't think the chair wants
5 to do that. I think the Chair wants to stay on this track.
6 The Chair will vote any way you want to do it. The Chair
7 knows he has to vote.
8 All I want to know is how you want to do it. But I
9 want to stay on the Army depots. That is the order here.
10 Now, do you want to vote on the Army depots separate from the
11 DLAs, or do you want to hear the DLAs referenced to these
12 Army depots at the time you are hearing this? That is all.
13 COMMISSIONER COX: Maybe as a compromise, we could
14 brief both now -- the depot and the DLA, and since we have to
15 vote separately anyway, we could see how that went. And, if
16 it turns out that there is some reason to separate them,
17 after we get done voting separately on the depots as we must
18 do, then we would decide that then.
19 CHAIRMAN DIXON: The Chair is willing to do that.
20 How many are willing to do that?
21 COMMISSIONER KLING: I will, under one condition;
22 that Mr. Cook has had the chance to absorb and anticipate

1 what would have taken place with Kelly and --

2 CHAIRMAN DIXON: Are you prepared to do that, Mr.

3 Cook, at the appropriate time?

4 MR. COOK: I am, Mr. Chairman.

5 CHAIRMAN DIXON: Poor Mr. Cook is a man without a

6 sign. Okay, you are going to be able to do that. Are there

7 any objections to proceeding this way? Is there any

8 commissioner that has any objection about what we are going

9 to do?

10 Director Lyles?

11 MR. LYLES: Mr. Chairman, I suggest we complete the

12 presentation on the Red River Depot, and go back to

13 Lieutenant Colonel Miller.

14 LIEUTENANT COLONEL MILLER: We will continue with

15 Chart C-6, with the second issue, which is cost-to-move

16 inventory.

17 The community expressed concern that DOD did not

18 accurately portray the cost to move actual inventory in

19 storage at Red River Defense Distribution Depot. The

20 community stated that that cost could be as high as $319

21 million and was based on moving 14,000 vehicles and 120,000

22 tons of stock out of the depot.

1 DOD's position in the original recommendation, and
2 reaffirmed later on, is the plan is not to move the entire
3 stockage of vehicles based on the closure. Vehicle inventory
4 would be $5.8 million for moving, and $12.7 million for the
5 stockage. These reflect a portion of the actual which is
6 show on the chart.
7 Next chart. What Chart C-7 shows is a summary of
8 the scenarios as DOD portrayed them. On the left is Red
9 River Army Depot. The costs and savings shown here reflect
10 the Commission's COBRA results, after review of military
11 construction.
12 Actually, there is a $531,000 cost. Please note
13 the change -- I got a chart ahead of myself.
14 What is on the left is Red River Army Depot's
15 original recommendation from DOD, as amended by the update to
16 the personnel numbers that they gave us about a month ago.
17 Notice, annual savings is $92.8 million.
18 Immediate return on investment. You can see the
19 comments there. About the only concern that you really have
20 with this is placing all your combat track vehicle workload
21 into one depot.
22 If you look at the numbers, Anniston will hold the

1 workload.

2 COMMISSIONER COX: Could we talk about that for

3 just a minute?

4 CHAIRMAN DIXON: Commissioner Cox.

5 COMMISSIONER COX: We went through this before --

6 is 85 percent enough? Is 90 percent too much?

7 Would you talk about the capacity of Anniston to

8 hold all of the ground vehicle --

9 LIEUTENANT COLONEL MILLER: First of all, talking

10 to AMC -- AMC's goal is to have 85 percent capacity in their

11 depots. That is what they would like to see.

12 COMMISSIONER COX: That is on a one-shift, five-day

13 a week?

14 LIEUTENANT COLONEL MILLER: Normal operations;

15 correct. So I would like to pull up a back-up chart, 52-

16 Alpha.

17 MR. COOK: I went to Anniston, so I would like to,

18 after Colonel Miller talks about it, tell you what I saw as I

19 walked the buildings.

20 LIEUTENANT COLONEL MILLER: Sir, what I have

21 briefly tried to show in this chart in the two lines that you

22 see on there, the current funded program workload for the

1 Fiscal Year 1999 on the bottom, and the one on the top is the
2 projected war time requirements, based on the modeling that
3 the Army has done.
4 That reflects a figure of 8.4 million man hours,
5 where the projected funded workload actually reflects about
6 3.2 million man hours.
7 The bar to the right is a computation of the three
8 depots stacked on top of each other, operating at a 1-8-5
9 shift, with the maximum potential capacities that exist in
10 those depots.
11 The one on the left is Anniston Army Depot, using
12 the same maximum potential capacity but showing you two shift
13 changes, one going to 80-hour workload and one going to a 2-
14 8-7 shift, or
15 112-hour work week.
16 In other words, Anniston can handle the projected
17 war-time workload of 8.4 million man hours, on a 2-8-7 shift,
18 and can handle on a 1-8-5 shift, the peace-time program
19 funded workload.
20 COMMISSIONER COX: I am sorry. Anniston's capacity
21 today, how many hours is that --
22 LIEUTENANT COLONEL MILLER: That is about 4 million

1 man hours. Maximum potential capacity for Anniston Army
2 Depot on a 1-8-5.
3 CHAIRMAN DIXON: Commissioner Kling.
4 COMMISSIONER KLING: So what you are saying is
5 that, moving everything to Anniston is going to get us right
6 up to the brink of their capacity.
7 COMMISSIONER COX: In war-time.
8 LIEUTENANT COLONEL MILLER: In peace-time, they
9 would be operating 78 percent of capacity.
10 COMMISSIONER KLING: But in a surge capacity, they
11 would have to go to the extra hours?
12 LIEUTENANT COLONEL MILLER: They would have to go
13 to a 2-8-7, and on a 2-8-7, I think Anniston can operate at
14 about 11 million man hours.
15 CHAIRMAN DIXON: Commissioner Robles.
16 COMMISSIONER ROBLES: Let me put a little
17 perspective here. I went to Anniston intentionally so that I
18 could walk the ground. I hate to keep harping on the fact
19 that numbers mesmerize you, but numbers mesmerize you.
20 The fact of the matter, you can look at a number so
21 long and you can say -- oh, yes, this is perfect, and then
22 wring out every bit of capacity.

1 So I said -- show me your plan for moving all the
2 ground vehicle work here in Anniston. They had done a
3 beautiful job. They had building by building exactly how
4 they were going to put -- where the lathes were going to go,
5 where the machines were going to go, et cetera.
6 When I left there, the impression I got is, yes, it
7 can be done. 78 percent. I question that number big time.
8 They are going to shoehorn in there --
9 COMMISSIONER KLING: Which way do you question
10 this?
11 COMMISSIONER ROBLES: I think there will be less
12 than that, but from a physical space point of view -- when
13 you line up all the machines and bring in all the vehicles,
14 and put in all the work stations, they are going to shoehorn
15 in everything into Anniston. It can be done. It can
16 physically be done, but you have absolutely no slack.
17 If one of those gigantic overhead cranes goes belly
18 up, you have just impacted a whole bunch of work and there is
19 no other place to do it.
20 If you have a fire, if you have a tornado -- if
21 anything happens, you are going to have a problem, further
22 compounded by the fact that Anniston's layout is pretty

1 compact. They did a good job of having all the buildings
2 close together, so you can have a lot of sympathetic things
3 that happen if one things goes down.
4 I guess what really got my attention and impacts on
5 this question is: There is more iron laying around at
6 Anniston Army Depot than I have ever seen, including when I
7 was in Desert Storm and it was everywhere.
8 They have things there for years and years and
9 years, and it is just waiting for disposition instruction.
10 If you move all of the Army's ground combat vehicles to
11 Anniston Army Depot, it will fit, but you might as well have
12 the most gigantic yard of iron and the most over-full
13 buildings that I have personally seen in my nearly 30 years
14 of military service. And I worry about that a lot.
15 CHAIRMAN DIXON: Are there any further questions,
16 or shall Colonel Miller proceed?
17 COMMISSIONER KLING: Can I just back up on the --
18 CHAIRMAN DIXON: Mr. Kling.
19 COMMISSIONER KLING: Because we have the depot as a
20 distribution -- separate here. The total, as I understand --
21 and I wanted to ask you -- is the staff comfortable with
22 these figures?

1 Is that the one-time cost -- roughly $109 million
2 for both -- is that fair? Is that a correct statement? And
3 that the annual savings comes to almost $100 million? Are
4 you comfortable with those figures?
5 LIEUTENANT COLONEL MILLER: Speaking for the Red
6 River Army Depot, the only costs, looking at the
7 implementation plan at Anniston Army Depot, there is a
8 military construction cost of $531,000, which is not included
9 in the DOD's recommendation.
10 That would bring your one-time cost up and bring
11 your net present value down by a half-million.
12 COMMISSIONER KLING: But together, you are saying
13 that you are comfortable with the fact that the one-time cost
14 is roughly $100 million, annual savings of roughly $100
15 million?
16 LIEUTENANT COLONEL MILLER: Yes, sir.
17 CHAIRMAN DIXON: Commissioner Cox.
18 COMMISSIONER COX: Could you just walk me -- I know
19 that there were some other one-time costs that the community
20 raised with us. I know you have it on your chart here, and
21 you mentioned it, but I would like you to walk us through it.
22 There were a whole bunch of vehicles just kind of hanging out

1 down there at Red River.

2 The community indicated that they believed, and it

3 sure look like it would be tough to move all of those without

4 having -- I have forgotten what it was -- but vans-full of

5 vehicles for the next two years, or something, up to

6 Anniston.

7 You seem to be saying that you are confirming the

8 DOD numbers on moving, and I am just wondering -- how are

9 they planning on moving that?

10 LIEUTENANT COLONEL MILLER: I would have to

11 actually defer to Mr. Cook, or one of the analysts for the

12 actual plan, but we went back to DOD -- DLA confirmed, as

13 well as the Army item manager, that the number of vehicles

14 they were moving from Red River Army Depot to Anniston Army

15 Depot was a portion, but not all of the vehicles that are

16 currently at Red River.

17 Some were going to be disposed of as excess for

18 different projects, and some of them are going to be issued

19 out to other units. Some of them are actually owned by

20 agencies --

21 COMMISSIONER COX: Aren't owned by them?

22 LIEUTENANT COLONEL MILLER: Right.

1 COMMISSIONER COX: Can I presume from what you say
2 here, that some of them might just be on a normal schedule,
3 going away? Going out to the field? Going to whatever?
4 LIEUTENANT COLONEL MILLER: That is correct.
5 COMMISSIONER COX: You wouldn't backfill those, and
6 so as they went out, presumably, they would anyway?
7 LIEUTENANT COLONEL MILLER: Right.
8 COMMISSIONER COX: So you wouldn't be moving all of
9 the vehicles there.
10 LIEUTENANT COLONEL MILLER: Some of the vehicles at
11 Red River Army Depot would be issued to units from Red River
12 during the implementation period.
13 COMMISSIONER COX: I see. Thank you --
14 COMMISSIONER DAVIS: Mr. Chairman?
15 CHAIRMAN DIXON: Commissioner Davis.
16 COMMISSIONER DAVIS: Colonel Miller, we talk about
17 capacity, and again, I go back to my capability argument --
18 how many new tanks -- funded new tanks do we have on the
19 drawing board?
20 LIEUTENANT COLONEL MILLER: None, sir.
21 COMMISSIONER DAVIS: How many funded new Bradleys
22 do we have on the drawing board?

1 LIEUTENANT COLONEL MILLER: I don't think we have
2 any.
3 COMMISSIONER DAVIS: How many funded new 113's do
4 we have on the drawing board?
5 LIEUTENANT COLONEL MILLER: Zero, sir.
6 COMMISSIONER DAVIS: What you are telling me, we
7 are going to have to repair all those things that we have
8 got -- all that iron sitting around out there if we want to
9 have a force in the future?
10 LIEUTENANT COLONEL MILLER: Yes, sir.
11 COMMISSIONER DAVIS: Thank you, Mr. Chairman.
12 CHAIRMAN DIXON: Thank you, Commissioner Davis.
13 Where are now? Are you going to go forward,
14 Colonel Miller?
15 LIEUTENANT COLONEL MILLER: Sir, the only thing I
16 would like to highlight to the right is, Defense Distribution
17 Depot Numbers. As Commissioner Kling pointed out, you have
18 to add those together to get the total impact of the single
19 recommendation.
20 That concludes the formal presentation that I have.
21 CHAIRMAN DIXON: All right. Are there any
22 questions of staff on this presentation on Army depots?

1 COMMISSIONER CORNELLA: Yes, sir.

2 CHAIRMAN DIXON: Commissioner Cornella?

3 COMMISSIONER CORNELLA: You had referenced the 80

4 percent distribution in regard to the depot earlier -- the

5 DLA side now. I know you are not DLA, but I want to ask you

6 that question because you referenced it.

7 Isn't it true -- that is really a significant

8 number in comparison to a DLA depot, co-located with a repair

9 depot?

10 LIEUTENANT COLONEL MILLER: Yes, sir. It is almost

11 just the opposite.

12 COMMISSIONER CORNELLA: But even that 20 percent

13 doesn't really tell the true story, because are not each of

14 those Bradley's -- are they counted as one individual item?

15 Is this by item capacity?

16 LIEUTENANT COLONEL MILLER: Yes, that is by item

17 capacity.

18 COMMISSIONER CORNELLA: So really, if a Bradley

19 went out of there, or a screw goes out of there, it is the

20 same number of items; right?

21 LIEUTENANT COLONEL MILLER: I think the numbers

22 change depending on if you use dollars, or if you use weight

1 or if you use item transactions.

2 COMMISSIONER CORNELLA: So really, that 20 percent

3 is even significant in itself; it probably creates a great

4 deal of their workload? Because if you are dealing with big

5 items here -- we are not dealing with a screw and a bolt that

6 we put in a box; we are dealing with something that is going

7 to go on a flat car and be shipped.

8 LIEUTENANT COLONEL MILLER: Sir, I would agree.

9 MR. COOK: Mr. Chairman.

10 CHAIRMAN DIXON: Mr. Cook.

11 MR. COOK: You are right. Commissioner Cornella,

12 the issue is, the 20 percent are those line items that are

13 directed towards the maintenance effort. If a Bradley goes

14 out on a flatcar, that is an issue to the field, or it is

15 leaving the yard to go someplace else. That might very well

16 be -- that is part of the other 80 percent.

17 What we are talking about when we talk 20 percent

18 are those things that are on the shelf, dedicated to go to

19 the maintenance line.

20 COMMISSIONER CORNELLA: I understand. Thank you.

21 COMMISSIONER STEELE: I have a question for Mr.

22 Miller, please.

1 CHAIRMAN DIXON: Commissioner Steele.

2 COMMISSIONER STEELE: When we talk about the depot
3 workload at Letterkenny or Red River, if you could please
4 address for us how they ranked in the tiering. I personally
5 agree with my colleague to my right, but I am very concerned
6 that the Army has left no wiggle room and all the eggs in one
7 basket. And there are several arguments that bother me.

8 When I look at how I am going to address that
9 concern of readiness and surge, and the two options before
10 me, if you could tell me the capabilities that those places
11 have and how they ranked and such?

12 LIEUTENANT COLONEL MILLER: To address the tiering?
13 How they ranked the depots?

14 COMMISSIONER STEELE: Yes, sir. And their
15 capability to absorb some of the surge that I am concerned
16 that I am giving up if I accept all of these recommendations.

17 LIEUTENANT COLONEL MILLER: To address the tiering,
18 I'd refer back to Chart C-1, which is the one that Mr. Brown
19 headed off with. And the Army ranked their depots --

20 CHAIRMAN DIXON: Put up C-1.

21 LIEUTENANT COLONEL MILLER: This is how the Army
22 ranked their depots, and the method they used for coming up

1 with this is a modeling called decision pad, where they
2 actually give objective values to different quantities and
3 weighted those in a decision matrix.
4 Those are the same weights that came out of the
5 decision, and the numbers rate from 6.4 for Tobyhanna down to
6 2.3 for Letterkenny. Then they applied the strategy of the
7 objective blueprint and the stationing strategy, and the
8 numbers stayed the same.
9 COMMISSIONER STEELE: What is the number for Red
10 River, please?
11 LIEUTENANT COLONEL MILLER: The number for Red
12 River was 5.
13 COMMISSIONER STEELE: 5? And then --
14 LIEUTENANT COLONEL MILLER: And Anniston was 6.1.
15 COMMISSIONER STEELE: Okay.
16 COMMISSIONER COX: Tobyhanna doesn't do any ground
17 vehicles?
18 LIEUTENANT COLONEL MILLER: Correct. Tobyhanna is
19 unlike the other three depots in that they don't do any
20 ground vehicles. Now, Letterkenny, Red River, and Anniston
21 do ground vehicles as well as other commodities. Most
22 notable of those is the missile work that's done at

1 Letterkenny.

2 COMMISSIONER COX: What other things does Anniston

3 do?

4 LIEUTENANT COLONEL MILLER: Anniston does basically

5 small arms and combat vehicles and, by combat vehicles, they

6 do the heavy combat -- the tanks, the AVLBs -- and they also

7 have the demil facility.

8 COMMISSIONER COX: Are the lines different? At

9 Anniston you do certain ground vehicles and at Red River you

10 do different ground vehicles? Are there crossover? Are they

11 all doing all the same vehicles?

12 LIEUTENANT COLONEL MILLER: The Army has accepted

13 the center of excellence concept, as have the other services,

14 I believe, and, right now, Red River Army Depot does the

15 light combat vehicles; Letterkenny does self-propelled and

16 towed howitzers; and the heavy combat vehicles are done at

17 Anniston Army Depot.

18 If you look at the capabilities, though, within

19 Anniston, Anniston has the capability of assuming all the

20 workloads and all the specific functions that either of the

21 other two have. Anniston currently works with aluminum, on

22 the Sheridan. They work with the heavy metals on the M-1

1 tank.

2 Up at Letterkenny, they do one on a Howitzer, which

3 is, I believe, not aluminum, it's a type of light steel and

4 then, at Red River, they mainly do aluminum-hulled vehicles,

5 which are the Bradleys and the 113s.

6 COMMISSIONER COX: Is that a difference?

7 LIEUTENANT COLONEL MILLER: Is it a big difference?

8 It's a skill difference and there's some differences in

9 equipment, so yes, it would be a big difference in making

10 sure you had the people and the equipment to do the work.

11 CHAIRMAN DIXON: Colonel, have you completed the

12 part about Red River? Because I don't think you've given us

13 Letterkenny yet, have you?

14 LIEUTENANT COLONEL MILLER: Sir, I'm not going to

15 discuss Letterkenny. After Red River, we're going to give

16 over to Mr. Knoepfle, who is the analyst for Letterkenny.

17 CHAIRMAN DIXON: If there are any other questions

18 of you before we go to Mr. Knoepfle, let's -- are there any?

19 COMMISSIONER KLING: Yes, sir.

20 CHAIRMAN DIXON: Commissioner Kling.

21 COMMISSIONER KLING: Did you, by any chance, put

22 any information together on what it would take -- I think I

1 know the answer -- but if we maintained one line of vehicle
2 maintenance at Red River?
3 LIEUTENANT COLONEL MILLER: Yes, sir, we did. Just
4 recently, we looked at a COBRA where we had moved the 113s
5 out of Red River and would leave only the Bradley line that's
6 there, as it exists. And just almost a back-of-the-envelope
7 thing, just taking the workload and using a percentage of the
8 workload, the savings at Red River Army Depot from moving the
9 113s were approximately $20 million a year, with a net
10 present value of $233 million over the 20-year period.
11 The big difference was the elimination of the
12 personnel, 386 people involved, in repairing the 113s and the
13 6 percent reduction in base ops in the COBRA.
14 COMMISSIONER KLING: But I just would say, "Okay,
15 you you're going to leave only the Bradley line there,
16 period, with our one-time costs and our annual savings,
17 what's going to happen to those two, if you have it? I think
18 I probably know the answer.
19 LIEUTENANT COLONEL MILLER: The one-time costs
20 would actually go down significantly from the original Army's
21 -- or the net present value and the steady state savings
22 would go down significantly from what the Army's original

1 recommendation was.

2 The original recommendation was that $1.17 billion

3 for net present value. The net present value of leaving the

4 Bradley line there and only closing out the 113 would be $233

5 million, about a 25 percent rate. You lose about 75 percent

6 of the actual savings, on the economics, just the numbers.

7 MR. LYLES: Commissioner, you can compare the

8 numbers that Lieutenant Colonel Miller just gave you to C-3

9 in your books or there on the screen there.

10 You could see the one-time costs in the Army's

11 recommendation is about $51.6 million and the recommendation

12 he just described, the one-time cost would be &7 million.

13 The annual savings are $92 million and the one-time costs

14 under the proposal that was just outlined, one-time savings,

15 would be about $20 million.

16 CHAIRMAN DIXON: Commissioner Robles.

17 COMMISSIONER ROBLES: Just a comment, and then

18 another observation. But I understand that there would be a

19 significant drop in steady stream savings, but I remember the

20 Army Chief of Staff focusing not on steady stream savings,

21 but up front costs.

22 He said: "The problem I have is, I don't want to

1 get rid of any of my good stuff and I only have so much up
2 front costs, and really, that's my driving equation -- up
3 front costs." So if you're telling me that the up front
4 costs are significantly degraded or dropped by doing this, in
5 the Army's Chief of Staff's -- ex-Army Chief of Staff's --
6 view, that's a good use story.
7 Now, let me just break over and again, amongst all
8 these numbers, put some experience, personal experience. And
9 I hate to keep using personal experience, but that's the only
10 kind of experience that I have, and so I have to talk about
11 my personal experiences.
12 (Laughter.)
13 COMMISSIONER ROBLES: And, because I was intimately
14 involved with Red River Army Depot in my Desert Storm buildup
15 and in my days as division commander, I know a lot about this
16 depot, and I'll just have to make some observations.
17 The first observation I'll make is that the Army --
18 and I'm not second-guessing the Army leadership. I know why
19 they're doing it. I know why they closed two-thirds of their
20 depots. They closed two-thirds of their depots because they
21 need bucks. I know that better than anybody, because I was
22 the vacuum cleaner looking for bucks for many years on the

1 Army staff, as Mr. Brown knows.

2 But, as you look for bucks, you don't want to do

3 something dumb and, from a war-fighting perspective, a

4 commander's perspective, Red River has always been the center

5 of excellence for doing live track combat vehicles. That's

6 why it has a value of 5, which is double the value of a lot

7 of other depots in the Army system; so it's not as if this is

8 not a good depot. This is a great depot.

9 So you have to really question, do you really want

10 to put all your combat, ground combat vehicles and ground

11 vehicles in total at one place? And yes, you could do it;

12 and yes, you could work double and triple shifts; and yes,

13 you would figure out a way to do it, if you could find it

14 amongst all that stuff that's out there at Anniston.

15 But, if you could do all that, is that a prudent

16 thing to do when you only have one ground depot, one air

17 depot, and one communication electronics depot, and, in this

18 case, they can't do each other's laundry?

19 You could Force that ground work to Letterkenny,

20 and they probably could do it eventually, over time. Anybody

21 could do it. Enough money, enough time, you could do

22 anything. But that is not their expertise. I don't think

1 you could ever take it to Tobyhanna and have it done.

2 Then I get to the argument about privatization.

3 Could we take this out to the private sector? Probably some

4 day, but not for a long time, because there is absolutely no

5 facilitation in the private sector to take a Bradley fighting

6 vehicle, or a 113, or an artillery piece, or any of the other

7 live track vehicles we have, and have the right milling

8 machines, the machine that can pick up a whole chassis and

9 lift it up and make it clean as a baby's behind, and all the

10 things that they do there.

11 (Laughter.)

12 COMMISSIONER ROBLES: And all I have to say is that

13 it is a center of excellence. So do we really want not to

14 have any surge capacity in the United States Army for its

15 combat vehicles? The Army is not big airplanes or big ships,

16 it's a lot of little combat vehicles. As I said, there are

17 over 6,000 combat vehicles in an Army division -- ground

18 vehicles -- in an Army division and, at end stage, there's

19 going to be 10 of those, so you can multiply 10 times 6,000.

20 General Davis was very eloquent. I'll say it with

21 a little more passion. There isn't anything on the books or

22 is there likely to be anything on the books in R&D for a new

1 tank, a new fighting vehicle, a new anything.

2 We're going to have to live, in the Army, with what

3 we have, product improve it, schlep it, baby it, fix it --

4 like we've been doing on two-and-a-half ton trucks, that are

5 older than most of you in this room, forever, since the

6 Korean war; and with are going to have to keep fixing this

7 stuff.

8 And I'd just say, if you want to push all that

9 fixing through one depot and take the risks attendant to

10 that, I think that is not prudent.

11 Finally, in this case, I have to look at economic

12 impact. I went down there, along with many of our

13 commissioners. On the ground right now there's about an 11

14 percent unemployment rate. We're talking about two counties

15 on the Texas side, three counties on the Arkansas side.

16 If we do this, we're going to double -- at least

17 double -- their unemployment rate. There are not a lot of

18 alternatives in that part of Texas and Arkansas. There are

19 not. It is not a big city. It is not a metropolitan area.

20 You are going to basically geographically disperse those

21 people and restructure the economy of that part of the

22 country. I just don't think that's smart.

1 CHAIRMAN DIXON: Thank you very much, Commissioner
2 Robles. Are there any further comments before we go to
3 Letterkenny?
4 (No response.)
5 CHAIRMAN DIXON: Would you proceed, then, with
6 Letterkenny, Mr. Knoepfle?
7 MR. KNOEPFLE: Good morning, Mr. Chairman. Good
8 afternoon, I guess. I will be discussing the Letterkenny and
9 Tobyhanna Army depots. I will concentrate on the tactical
10 missile consolidation effort, which also includes the pending
11 transfer of missile workload from Hill Air Force Base to the
12 Army.
13 This chart shows a comparison of closing costs and
14 estimated savings resulting for the DOD recommendation to
15 realign Letterkenny and a Commission alternative that would
16 close Tobyhanna.
17 Next chart.
18 The 1993 Commission reversed DOD's recommended
19 realignment of Letterkenny and instead established a
20 consolidated DOD depot activity for the repair of DOD
21 tactical missile guidance systems and related support
22 equipment.

1 The 1993 Commission was specifically asked by the
2 Secretary of Defense to explore options for inter-servicing
3 and include appropriate inter-service consolidation in its
4 final recommendations. The 1993 Commission serviced inter-
5 servicing options for tactical missiles, ground
6 communications and electronics, wheeled vehicles, and rotary
7 aircraft commodities.
8 The recommendation to consolidate tactical missile
9 maintenance at Letterkenny was first suggested by the Defense
10 Depot Maintenance Council in a report issued 18 January 1991.
11 In comparison, the 1995 recommendation would terminate all
12 depot-level work at Letterkenny, including the ongoing
13 missile consolidation effort.
14 DOD's 1995 recommendation preserves the concept of
15 inter-servicing for tactical missiles but, instead, would
16 send the guidance and control system workload to Tobyhanna.
17 Tactical missile guidance and control sections taken from up-
18 rounding missiles kept in Letterkenny's secured storage area
19 and also from other similar locations strategically located
20 around the country would be sent for repair and overhaul to
21 Tobyhanna, rather than Letterkenny.
22 Please note that a significant portion of the

1 guidance system workload includes a wide range of support
2 equipment, other support equipment, including missile
3 launchers, command and control shelters, and radar apparatus.
4 The 1995 recommendation also provides for the
5 transfer of combat vehicle workload to Anniston. As stated
6 previously -- and you've heard a lot of discussion about this
7 -- the Army believes that the work can be absorbed in
8 Anniston's existing infrastructure and, because of declining
9 workload in the out years, no personnel transfers are planned
10 from Letterkenny to the activity at Anniston.
11 Next chart.
12 This chart shows the transition of tactical missile
13 work from 11 sites into one central location at Letterkenny,
14 as mandated by the 1993 Commission. The shaded systems
15 indicate the workload that has already transitioned into
16 Letterkenny. So far, Letterkenny has spent about $26 million
17 of the $42 million missile consolidation budget.
18 In terms of workload transfers, about half of the
19 workload packages have already transferred. Please note that
20 three of the workload packages which have not yet
21 transitioned to Letterkenny are currently assigned to the
22 private sector.

1 Next chart.

2 COMMISSIONER COX: The 1993 recommendation required

3 that the private sector work come into the government.

4 MR. KNOEPFLE: Yes, ma'am.

5 COMMISSIONER COX: Does the 1995 recommendation

6 also require that the private sector come in?

7 MR. KNOEPFLE: It does not address that issue.

8 COMMISSIONER COX: And, therefore, the private

9 sector would have to come in and move to Tobyhanna?

10 MR. KNOEPFLE: That's correct, as well as any

11 future systems. The technical part of the language --

12 COMMISSIONER COX: Any future systems, as well?

13 MR. KNOEPFLE: Yes.

14 COMMISSIONER COX: Thank you.

15 MR. KNOEPFLE: This chart compares Tobyhanna's

16 depot capacity to the combined workload forecast for

17 Tobyhanna's workload electronics, plus the tactical missile

18 work recommended for transfer from Letterkenny.

19 You can see that Tobyhanna's overall capacity is

20 sufficient to absorb Letterkenny's missile workload, along

21 with our other currently programmed work. That,

22 incidentally, raises the capacity utilization rate from about

1 49 percent, I believe, to 70 percent.

2 COMMISSIONER STEELE: Excuse me. Question for you

3 there.

4 CHAIRMAN DIXON: Commissioner Steele.

5 COMMISSIONER STEELE: The action we took earlier,

6 putting ground communications and electronics workload into

7 Tobyhanna, how does that affect your capacity --

8 CHAIRMAN DIXON: That's a good question. What's

9 the answer to that?

10 COMMISSIONER STEELE: I'm glad you liked that my

11 earlier --

12 MR. KNOEPFLE: Back up, Chart 62. The combination

13 of missile work plus electronics work from McClellan would

14 raise Tobyhanna's utilization rate to 83 percent, and that's

15 based on the maximum potential capacity unit of measurement.

16 COMMISSIONER STEELE: Okay. Thank you very much.

17 CHAIRMAN DIXON: Thank you, Commissioner Steele.

18 MR. KNOEPFLE: The next chart, please.

19 This chart provides --

20 COMMISSIONER DAVIS: Mr. Chairman?

21 CHAIRMAN DIXON: Commissioner Davis.

22 COMMISSIONER DAVIS: I'm not sure whether Glenn --

1 well, you were on the process, too. The '93 joint direction
2 was to move the missiles into -- all these missiles you had
3 listed on that chart -- into Letterkenny --
4 MR. KNOEPFLE: Miles and related equipment, that's
5 right.
6 COMMISSIONER DAVIS: -- and related equipment, to
7 do that work. And, all those that were colored in dark have,
8 in fact, moved, and all the rest of them are programmed to
9 move; is that correct??
10 MR. KNOEPFLE: That's correct, sir.
11 COMMISSIONER DAVIS: Unless altered by this
12 process?
13 MR. KNOEPFLE: Right.
14 MR. OWSLEY: One question that came up when we had
15 industry in is, that requires a contracting officer to direct
16 that work out of their plant and, in some cases, that hasn't
17 been implemented yet so, you know, just saying that action
18 without the contracting officer to, say, issue a change order
19 to use that says, "From now on, send your missiles here," in
20 some cases that hasn't been done, and I think the Army needs
21 to look into that.
22 MR. KNOEPFLE: The total consolidation effort is

1 scheduled to be complete at Letterkenny by 1999, barring any
2 changes to the 1993 recommendations.
3 COMMISSIONER COX: The rest of the missiles from
4 the -- most of the rest of the missiles not moved yet from
5 depots, other government depots, are the Hill missiles?
6 MR. KNOEPFLE: That's correct. That's the bulk of
7 the -- there are some that are scheduled to come in from
8 Anniston in 1996-1997. The ongoing work at Hill is scheduled
9 for transfer into Letterkenny in the summer.
10 COMMISSIONER COX: In the next month, July, August?
11 MR. KNOEPFLE: August-September time frame.
12 COMMISSIONER COX: And is that training done, I
13 mean --
14 MR. KNOEPFLE: Letterkenny people are current at
15 Hill Air Force Base undergoing training in preparation for
16 receipt of that workload, and there are a few people at Ogden
17 who are sort of waiting in the wings, I guess you'd say, to
18 determine. They're planning to move, but no commitment, no
19 firm commitments have been made. There's about 80 people at
20 Hill Air Force Base that do the work on the Sidewinder and
21 Maverick missile, at the present time.
22 COMMISSIONER COX: Are we going to get into Hill

1 Air Force Base?

2 MR. KNOEPFLE: Yes, we will. Yes.

3 COMMISSIONER COX: Okay.

4 MR. KNOEPFLE: This chart -- no, Brian, C-13. Keep
5 that up there. This chart provides a comparison of costs and
6 savings for the DOD recommendation and two alternatives
7 investigated by the Commission. We've included closure costs
8 for both the maintenance depot and the DLA distribution
9 depot.

10 In the case of Letterkenny, DLA has gone on record
11 and says if the host maintenance activity closes, the
12 distribution depot is a likely candidate to follow, simply
13 because it primarily supports the maintenance mission, not
14 entirely, but they've gone on record to say if the
15 maintenance depot goes down, that the DLA distribution is a
16 good candidate to follow.

17 COMMISSIONER COX: The percentage of work done by
18 the DLA is much higher with the depot than we saw --

19 MR. KNOEPFLE: It's well over 50 percent.

20 The first column summarizes the DOD recommendation.
21 The Army recently updated its COBRA analysis to provide for
22 the transfer of 450 personnel slots to Tobyhanna, rather than

1 the original 300. Also, the enclaved ammunition and missile
2 storage area will retain 801 employees rather than the
3 original 491.
4 The changes were made as a result of concerns
5 raised by the community. Letterkenny community officials
6 argued that the Army's initial COBRA analysis only provided
7 for the transfer of core workload and not the above core
8 workload.
9 It is our understanding that the Army plans to use
10 the additional 310 employees within the enclave area until a
11 decision can be made with regard to the possible
12 privatization of the above core work.
13 COMMISSIONER COX: At the moment, though, under
14 either the '93 or '95 recommendation, could they privatize
15 any missiles?
16 MR. KNOEPFLE: No, they could not.
17 COMMISSIONER COX: So that would require us taking
18 some action --
19 MR. KNOEPFLE: That's correct.
20 COMMISSIONER COX: -- to overrule the '93
21 recommendation?
22 MR. KNOEPFLE: The services have seen fit to

1 MS. REESE: We affected one-time costs slightly.
2 The annual savings were impacted because the difference in
3 the positions eliminated we thought reasonable -- in fact,
4 conservative -- in the phasing of those position
5 eliminations.
6 COMMISSIONER COX: Essentially, there are a lot of
7 -- not a lot -- there are several assumptions that you all
8 changed, but the biggest dollar assumption was the positions
9 eliminated?
10 MS. REESE: That's correct.
11 COMMISSIONER COX: That was the largest?
12 MS. REESE: That's correct.
13 CHAIRMAN DIXON: Proceed, Ms. Reese.
14 COMMISSIONER COX: I'm sorry. While we're on that,
15 since we're on it anyway, the --
16 CHAIRMAN DIXON: Commissioner Cox.
17 COMMISSIONER COX: -- the assumptions that the
18 Defense Department used in all of their COBRAs and in their
19 recommendations, and the assumptions that we have used,
20 assume a 2.75 percent discount rate; is that correct?
21 MS. REESE: That's right.
22 COMMISSIONER COX: And what is that discount rate?

1 Where do we get that? Where do they get that?

2 MS. REESE: Where do they get that?

3 COMMISSIONER COX: We didn't get it. We used

4 theirs.

5 MS. REESE: That's right. And that was at the time

6 the base closure preparation process began, that was the

7 accepted discount rate and I think, for consistency, the

8 decision was that that would remain the figure used

9 throughout. We did not change that figure in our COBRAs.

10 COMMISSIONER COX: Right. Otherwise, we wouldn't

11 be able to compare it to the original Defense numbers.

12 MS. REESE: Correct.

13 COMMISSIONER COX: However, as I understand it,

14 shortly thereafter, that assumption changed, as far as the

15 government --

16 MS. REESE: I guess there was an update.

17 COMMISSIONER COX: -- assumption on what the cost

18 of money is, and most people would say a 2.75 percent cost of

19 money is really low. And that assumption changed, as I

20 understand it, and GAO also looked at this and recommended

21 that a more reasonable assumption on the cost of money would

22 be 4.85 percent; is that correct?

1 MR. OWSLEY: That's correct.

2 COMMISSIONER COX: And my understanding -- and that
3 makes not so much difference in some things and a lot of
4 difference in those -- it could make a lot of difference,
5 particularly where you have a high one-time cost, because
6 that cost of money is important; and so, even though I know
7 we used the 2.75 for a good reason, we can't compare it by
8 using some other number.

9 Were you all able to run both their numbers and our
10 numbers on this, using the GAO --

11 MS. REESE: Yes.

12 COMMISSIONER COX: -- presumption of a 4.85
13 percent? I wonder if you could just tell us what did to the
14 return on investment?

15 MS. REESE: Yes. We have a slide that will show
16 you the difference. The net present value changes slightly.
17 The return on investment for those things that pay back later
18 changes slightly for those things that have an earlier return
19 on investment, cost of money --

20 COMMISSIONER COX: Doesn't change that much?

21 MS. REESE: -- doesn't change that much, exactly.

22 CHAIRMAN DIXON: Have you concluded, Commissioner

1 Cox?

2 COMMISSIONER COX: Well, I just wanted to check.

3 So what we're saying is, even though you would show less

4 savings, obviously, over a 20-year period, still on Kelly and

5 McClellan, the return on investment here, you would still --

6 MS. REESE: Is the same.

7 COMMISSIONER COX: -- make back your money, even at

8 a 4.85 percent discount rate?

9 MS. REESE: Yes, ma'am, that's correct.

10 CHAIRMAN DIXON: You may proceed, Ms. Reese.

11 COMMISSIONER COX: Thank you.

12 MS. REESE: Thank you, Chairman.

13 Switching gears from COBRA results, this slide

14 shows how workload would be distributed with a closure of two

15 depots. We have frequently been asked if workload can be

16 accommodated with the closure of two Air Force depots.

17 This chart shows the distribution of core workload

18 to remaining depots. The basis of this distribution is the

19 Air Force Base Closure Executive Group meeting minutes and

20 briefing materials, and the Joint Cross-Service data.

21 The Air Force's study of potential depot closure

22 contained a listing of appropriate workload moving from

1 McClellan and Kelly to other depots. We can list the types
2 of work, by a commodity-by-commodity grouping, and the
3 numbers of hours. We can list it in great detail, in other
4 words, if you wish to see it.
5 We have also examined this Air Force distribution
6 on a commodity-by-commodity basis, and have confirmed that
7 the core workload fits on a single shift within the capacity
8 available at the remaining three depots.
9 COMMISSIONER STEELE: Ms. Reese?
10 MS. REESE: Yes.
11 CHAIRMAN DIXON: Commissioner Steele.
12 COMMISSIONER STEELE: Okay. So the bottom line on
13 this is we all know there's excess capacity, but we all know
14 capacity is not capacity. You have to look at what it is and
15 if it fits, and the same with core.
16 MS. REESE: Right.
17 COMMISSIONER STEELE: We all know there's more
18 capacity than there's core workload, but core is not core;
19 it's specific types of core. This simple-looking chart,
20 though, has a level of detail to the item, based on DOD data.
21 Is that what you're telling us today?
22 MS. REESE: That's right. This chart reflects a

1 distribution of work on a commodity-by-commodity basis, and
2 the commodities go down to a great level of detail.
3 COMMISSIONER STEELE: Okay.
4 MS. REESE: So, you know, when you look at it on a
5 commodity-by-commodity basis, you're really looking at the
6 capability of a depot to perform a certain type of work, a
7 capability to perform a certain commodity group.
8 COMMISSIONER STEELE: Okay. And it also does not
9 take into account any other depot capacity throughout the
10 Department?
11 MS. REESE: That's correct.
12 COMMISSIONER STEELE: This is just Air Force?
13 MS. REESE: That's precisely right. This is all
14 within the Air Force, yes.
15 COMMISSIONER STEELE: Thank you.
16 CHAIRMAN DIXON: And did you have a question,
17 Commissioner Robles?
18 COMMISSIONER ROBLES: Yes, I do. I just wondered,
19 now, since this is core workload, by definition, is this the
20 stuff we want to do in-house? There has been a conscious
21 corporate decision that that is workload to be done in-house,
22 right?

1 MS. REESE: That's right.

2 COMMISSIONER ROBLES: So another way to look at

3 this, the spin I put on this ball is, once you -- if you make

4 the decision to close two of those Air Logistics Centers, the

5 amount of capacity that's left, your surge capacity for core

6 work in wartime -- and please, I don't want to get into the

7 one-shift, two-shift, because you have to have a constant

8 base of analysis.

9 But, for normal peacetime operations, the amount

10 that's between the top of the yellow and the top of whatever

11 that chartreuse color is or whatever it is, is the excess

12 capacity left in the entire United States Air Force.

13 MS. REESE: That's the unused --

14 COMMISSIONER ROBLES: And could you kind of tell me

15 what that is? If you took that little piece and that little

16 piece and that little piece, how much capacity are we talking

17 about?

18 MS. REESE: Okay. Just a minute.

19 MR. OWSLEY: While she's looking for that number,

20 Commissioner, I would like to point out that this is a

21 single-shift basis and, in the recent desert conflict, each

22 of the ALCs was called on to do special things, and they did

1 it by either putting on a full second shift or one half a
2 shift, and were able to meet all of the surge requirements
3 with no problem. They all discussed that with us on our
4 visits.
5 COMMISSIONER ROBLES: Mr. Owsley, in all deference,
6 I understand that. But the fact of the matter is that,
7 during World War II, we put women in hard hats in factories,
8 and wartime, which Desert Storm was, is a whole different
9 issue. Yes, you could. But, for analysis purposes, you want
10 to put this on a level playing field, and that's why you use
11 one shift.
12 There's a lot of things you could do under
13 extraordinary circumstances for a limited amount of time.
14 But we're talking about day-to-day peacetime operations,
15 which is, hopefully, the majority of the work we're talking
16 about here.
17 MS. REESE: The capacity would be 32 million hours;
18 the core work, of course, remains at 27 million hours. And
19 that is an 85 percent utilization so, in other words --
20 COMMISSIONER ROBLES: So what you're telling me is,
21 if you close two depots, you leave the United States Air
22 Force 15 percent excess capacity?

1 MS. REESE: That's correct.

2 COMMISSIONER ROBLES: I want to make sure we

3 remember that, because I'll talk about that later on.

4 COMMISSIONER STEELE: And I will probably add to

5 that, that reasonable people could disagree that one shift

6 should be the maximum that you look at for capacity on this

7 issue.

8 CHAIRMAN DIXON: Commissioner Cox.

9 COMMISSIONER COX: When we say 85 percent -- and

10 maybe, Mr. Owsley, you're the right person to answer this --

11 in the airline business, if we can get to 85 percent load

12 factor, we would consider that -- you wouldn't even try to

13 get past. I mean, that would be full capacity.

14 Is 85 percent -- can you really run a depot at 100

15 percent? Don't you have down time? Do you have to allow for

16 C-5s taking longer than people thought they might take? You

17 have to allow for fixing the equipment.

18 I guess what I'm asking is, when we say 85 percent

19 capacity, is that -- in business, a lot of times that would

20 be the most you would ever really get. I mean, that would

21 be, for all intents and purposes, 100 percent.

22 MR. OWSLEY: If you operate at 85 percent, the

1 board of directors will leave you alone?

2 COMMISSIONER COX: Yes. That's for sure.

3 MR. OWSLEY: The thing that I would like to point

4 out, that's pointed out by General Curtis, is that these

5 figures do not contain the ability to do airplanes. Outside

6 air spaces and certain logistics centers, such as San Antonio

7 Warner Robins, do quite a bit of airplane work outside.

8 Because of the --

9 COMMISSIONER COX: Outside, meaning on the

10 aprons or ramps?

11 MR. OWSLEY: On ramps, tarmacs, and that. Because

12 of the very nature of that, the services did not try to

13 capture that when they reported depot capacity, so you have

14 to remember all the time that this excludes airplane capacity

15 on ramps and that, but it does include all the back shops --

16 plating, machine shop -- that support the airplane.

17 COMMISSIONER STEELE: And, Ms. Reese, does or

18 doesn't --

19 CHAIRMAN DIXON: Commissioner Steele.

20 CHAIRMAN DIXON: -- does or doesn't it include

21 efficiencies of co-locating work?

22 MS. REESE: No. This is simply taking the core

1 work that is distributed throughout five depots currently and
2 taking the same number of hours, and putting them on a
3 commodity-by-commodity basis within three depots.
4 COMMISSIONER STEELE: So even though the workload
5 would pick up on any of these categories, it says it would
6 just plug along at the exact same rate even though it would
7 be co-located?
8 MS. REESE: That's correct.
9 COMMISSIONER STEELE: Thank you.
10 COMMISSIONER ROBLES: Yes, but let me make sure I
11 understand that.
12 CHAIRMAN DIXON: Commissioner Robles.
13 COMMISSIONER ROBLES: I understand efficiencies,
14 but you didn't factor inefficiencies, either.
15 MS. REESE: No, sir, because --
16 COMMISSIONER ROBLES: Because sometimes, when
17 you're mixing apples and oranges and peaches and pears, you
18 have some inefficiencies there.
19 And the second thing, 85 percent capacity, I think,
20 last time I checked, is optimal. You never want to squeeze
21 anything down to much more than 85 percent capacity, because
22 you take into account nothing for work stoppages, overhead

1 cranes that break.

2 And my central question on this is, did you look at

3 the critical path? The question is, you can move all this

4 stuff and dense pack it in something, but is there a critical

5 -- does your analysis for that 15 percent capacity look at a

6 critical path?

7 There are certain things. You may have all the

8 ramp space in the world, and you may have all the hangar

9 space in the world but, if you do a critical path analysis,

10 everything has to go through this back shop operation, and I

11 assume that none of that could be done, because we're talking

12 about a very complex analysis.

13 MR. OWSLEY: Commissioner, excuse me. The Air

14 Force did not have time to do that, nor did any of the other

15 services, nor did we.

16 The only one we did look at is we tried to see what

17 would happen with the C-5, because it did, in some ways,

18 relate to the B-52 transfer that the ALCs experienced a

19 number of years back, and that was the only place. But that

20 is not a critical path analysis. That would take a great

21 deal of time.

22 COMMISSIONER ROBLES: So this is really a gross

1 macro-analysis?

2 MR. OWSLEY: Yes.

3 CHAIRMAN DIXON: Are there any further questions of

4 Mr. Owsley or Ms. Reese on this graph?

5 COMMISSIONER COX: I'm sorry. To get back to that

6 question --

7 CHAIRMAN DIXON: Commissioner Cox.

8 COMMISSIONER COX: -- realizing you didn't do a

9 critical path, did we, though, look at specific commodities?

10 When we say you could move -- you'd have this capacity at

11 Tinker or Robins or Hill if you closed McClellan and Kelly,

12 it wasn't in overall man hours, it was a "Move this to that."

13 it was a setting out, as the DOD would have done -- did -- in

14 their own COBRA?

15 MR. OWSLEY: Most of this is from DOD. First of

16 all, they gave it to us in their COBRAs.

17 Secondly, most of their COBRAs were based on a

18 study called the AFMC-21 Study, which was done over a long

19 period of time, which did, in fact, take commodity-by-

20 commodity engine study, C-5 study for moving the C-5 from San

21 Antonio to Tinker. It was done by Air Force experts in that

22 business, and we used their scheduling and things to do that.

1 So this isn't like the Air Force has not looked at
2 consolidating depots before. They have done it many times
3 and the AFMC-21 Study was set up for how would we look in the
4 future, and we used that a great deal, as did the Air Force
5 report it in their COBRAs, that this data is from the AFMC-21
6 Study.
7 CHAIRMAN DIXON: You may proceed, Ms. Reese.
8 MS. REESE: Thank you. This chart is an example of
9 the cost advantage of consolidating maintenance work. We
10 have averaged the labor hour rate of two Air Force depots
11 that do engine work and we show here that the consolidation
12 of engine work reduces hourly overhead rate such that there
13 is a $73 million annual savings. The savings is substantial,
14 but it's not addressed or recognized by the COBRAs.
15 COMMISSIONER STEELE: Ms. Reese, I'm sorry, a quick
16 question.
17 CHAIRMAN DIXON: Commissioner Steele.
18 COMMISSIONER STEELE: Because there are a lot of
19 questions on Kelly, and I want to make sure I have the full
20 picture here.
21 Kelly, I believe, is the designated center of
22 excellence for engines or whatever? What's the term I ought

1 to be using here?

2 MS. REESE: Technical repair center.

3 COMMISSIONER STEELE: Technical repair center for

4 engines. So you would assume the expertise is there. We're

5 using averages here, and averages make me nervous, because

6 I'm voting on specifics.

7 If engines came to Kelly, versus if engines went to

8 another ALC, is there a dramatic change in the savings or

9 not?

10 COMMISSIONER STEELE: I think there's a change in

11 savings of about $3 million, based on the labor hour cost.

12 Kelly's rate is slightly higher, and so there is somewhat of

13 a change.

14 COMMISSIONER STEELE: Okay. But the savings are

15 just for consolidation; that is the main driver here?

16 MR. OWSLEY: We should point out that we did

17 receive, from each of the communities, on engines -- because

18 it's one of the two instances where you can compare something

19 very similar, and all this business that we're into here is

20 the engine business, even though the engines are different at

21 both places -- they both furnished us with their figures and

22 what we tried to do is meld them together.

1 It doesn't make a great deal of difference, but we
2 tried not to show one and the other. We tried to meld them
3 together to show that there is significant savings by
4 consolidation without efficiencies being considered.
5 And again, this study was done, and the AFMC-21
6 study, that said Kelly could do all of the engines in the Air
7 Force or that Tinker could do all of the engines in the Air
8 Force.
9 COMMISSIONER STEELE: Let me just ask one more
10 level of detail, please. The director of financial
11 management from Kelly Air Force Base provided us a jet engine
12 test cell capability memorandum, and he says:
13 While both Tinker and Kelly have four large
14 universal test cells, the equipment for each center was built
15 by different manufacturers. Neither place can test all Air
16 Force engines. However, with modifications, additional
17 facilities and equipment, and substantial taxpayer
18 investment, either depot could accommodate the requirement.
19 I know we're within the same commodity, but we have
20 different types of machines we're talking about here. I'd
21 like you to address both the cost to modify, test cells one
22 place or another, if you could please, and what percentage of

1 workload is that at Kelly ALC?

2 MS. REESE: What percentage of workload?

3 COMMISSIONER STEELE: Yes.

4 MS. REESE: Okay. Each of the ALCs do about 2-1/2

5 million hours of engine work. I think that Kelly has about 7

6 million hours of capacity and Tinker has about 5 million

7 hours of capacity for engine work. So the statement that's

8 being made in that memo that you've just read, the statement

9 was that both would fit either place?

10 COMMISSIONER STEELE: Correct.

11 MS. REESE: That is a correct statement. The

12 capacity numbers that were provided to us assumed that there

13 was no military construction required and no significant

14 capital improvement costs required. There would be a cost to

15 modify, that maybe Jim Owsley could speak to, in terms of the

16 engine test cells.

17 MR. OWSLEY: You know, this was something we talked

18 to both commanders and, if you remember, when you were at

19 both places, they did say there was a study that had been

20 conducted for moving to either direction on the engines.

21 There would be adapters and cell modifications in types of

22 the equipment, but there would be no major MILCON involved in

1 that and, really, if one looks at the total cost of engine
2 work and that, the adapters are not the large thing.
3 There would also be, if you recall in your visits,
4 they test engines differently at the two places. Basically,
5 tinker hangs them on an overhead stand; San Antonio has
6 upward stands. So there would either have to be an
7 adaptation made to the overheads or you would have to
8 transport the Tinker stands for their engines -- I mean Kelly
9 -- if you moved them to Tinker.
10 This was all taken into consideration in the Air
11 Force studies. It was inputted in their COBRAs. As recently
12 as yesterday I talked to Air Force headquarters about this
13 and they said the numbers which they had given us in their
14 COBRA for MILCON are correct for a movement of this nature.
15 And we used -- if you recall earlier testimony -- we used the
16 Air Force MILCON in these assumptions. We didn't try to go
17 up or down on it.
18 CHAIRMAN DIXON: Commissioner Robles.
19 COMMISSIONER ROBLES: Ms. Reese, I apologize for
20 the never-ending briefing, but, as you can see, some of the
21 things we're drawing out here are going to be central to our
22 later discussion.

1 Let make sure I heard you correctly. You told me
2 that core work, when you closed two and consolidated three,
3 there's about 15 percent excess capacity left for core work.
4 But, in the world of engines, if I heard you right, Kelly has
5 7 million hours worth of capacity.
6 MS. REESE: That's right.
7 COMMISSIONER ROBLES: Tinker has 5.
8 MS. REESE: That's right.
9 COMMISSIONER ROBLES: There's about 2-1/2 that's
10 done in total workload, and that is a projected workload for
11 forever?
12 MS. REESE: No. It's a workload for FY '99.
13 COMMISSIONER ROBLES: And how much engine workload,
14 if any, is being done at Tinker right now?
15 MS. REESE: There's about 2-1/2 million hours --
16 COMMISSIONER ROBLES: So if you took the 2-1/2
17 that's being done at Kelly and the 2-1/2 that's being done at
18 Tinker, you max out Tinker's capability. So you're at 100
19 percent of capacity on engine work; is that correct?
20 MS. REESE: The Tinker commander indicated that he
21 has the capacity to do 5.1 million hours --
22 COMMISSIONER ROBLES: So he has .1 million hours

1 worth of excess capacity or is there something I'm missing
2 here?
3 MR. OWSLEY: May I correct that, please? At the
4 Tinker presentation, it was 5.7 million hours that Tinker is
5 able to do, not 5 million hours.
6 COMMISSIONER ROBLES: Okay. What do you say it is,
7 then? If you combine the two engine workloads, how much
8 excess capacity to do engine work will be left in the United
9 States Air Force?
10 COMMISSIONER STEELE: On a single shift.
11 COMMISSIONER ROBLES: On a single shift. And we're
12 not going to get into this other shift till later.
13 MR. OWSLEY: It's about 10 percent, Commissioners.
14 COMMISSIONER ROBLES: 10 percent. So you now take
15 15 percent overall excess capacity and you now have 10
16 percent on engine work. And yes, there are various
17 permutations and combinations of that number, but I'm just
18 trying to stick to a constant thread here.
19 MR. OWSLEY: Commissioner, I would like to point
20 out to you that this is only talking about the U.S. Air
21 Force. If you had followed the Cross-Service Team's
22 recommendation, there would have been work going to

1 Jacksonville and Cherry Point, and excludes the engine
2 capability for these engines that are in the private sector.
3 So there was a look to move engines around to other
4 places than just between the two Air Force depots, so there
5 would be an ability, if needed, to do some of these things at
6 other places.
7 COMMISSIONER ROBLES: And any notion about how much
8 capacity there we're talking about?
9 MR. OWSLEY: I'm not prepared to --
10 COMMISSIONER ROBLES: I'm just interested in where
11 else they do F-100 engines and how much is done in the
12 private sector.
13 MR. OWSLEY: We would -- I'm sorry. I can't give
14 you that capacity that's remaining in the United States. I
15 do know that the Air Force looked. There are certain engines
16 at Tinker and certain engines at Kelly that could be done
17 fairly easily at Jacksonville, but Jacksonville does not
18 begin to have the capacity that either Kelly or Tinker has.
19 And then there was some classes of engines that the
20 Cross-Service Group -- which included the Air Force and the
21 Navy in that -- looked at that could be done at Cherry Point,
22 and I do not have those details here with us today.

1 CHAIRMAN DIXON: You may proceed now, Ms. Reese.

2 COMMISSIONER COX: I'm sorry.

3 CHAIRMAN DIXON: Commissioner Cox.

4 COMMISSIONER COX: On that workload, basically 5
5 million -- between the two current workloads, Tinker and
6 Kelly, that's about 5 million man hours. Is that all core
7 workload today or are we doing some non-core in the depots?

8 MS. REESE: The Air Force reported that that's
9 their core work.

10 COMMISSIONER COX: That's all core workload. And
11 what is the projection? You mentioned in 1999 the number was
12 different, that we weren't necessarily going to be doing
13 whatever we're doing today in 1999. Do we have a way to look
14 at a projection over the years? Is it likely to go up. Are
15 we going to have more engines, less engines? Do we have to
16 do more work because we're using them more often?

17 MR. OWSLEY: Excuse me. It is likely that there
18 will be less engine hours, because, as both Air Force centers
19 told us, the hours in between maintenance are going down, or
20 the hours between are increasing, because the engine
21 manufacturers have become more reliable in the engines that
22 they're now putting out.

1 I would also like to say that, you know, on core,
2 we don't want to discredit it, because we use it a lot and
3 try to work with it, but at Kelly, for instance, they're
4 doing, you know, a fair number of ship engines that are not
5 core to the Air Force, and the Navy does have, both in Navy
6 facilities and private facilities, ability to do that, but
7 they sent them to Kelly because they got a better price doing
8 those engines at Kelly. So there is some flexibility in
9 core, albeit we don't have it defined here today.
10 COMMISSIONER COX: But we're projecting the same
11 core on out into the future?
12 MS. REESE: The core figures were reported for FY
13 '99.
14 COMMISSIONER COX: And they are the same, I'm
15 sorry, as this year, for example?
16 MS. REESE: The core in '99 -- I haven't looked at
17 this year. I believe that the core work will be reduced from
18 now to '99. I know that the services are going through a
19 process of looking at the Roles and Missions Commission
20 Report that recommends that all of the depot work be
21 privatized, and I know that the Air Force's initial position
22 is that, just to get to core, they'd have to put about 20

1 percent more in total out to the private sector than what
2 they're doing right now.
3 MR. OWSLEY: Current workload is about 4.4 million
4 hours.
5 COMMISSIONER COX: So the 5 million in '99 is
6 actually an increase on the current?
7 MS. REESE: No, that's a more precise figure. I'm
8 sorry. I was speaking in round numbers.
9 CHAIRMAN DIXON: Are there further questions?
10 COMMISSIONER KLING: Yes.
11 CHAIRMAN DIXON: Commissioner Kling.
12 COMMISSIONER KLING: Just a comment. It is fair to
13 say, like the Roles Commission did say, the private sector is
14 still out there, available to do an awful lot, if we get
15 caught into it, right? Is that a fair statement?
16 MR. OWSLEY: That's correct. I'd like to just
17 point one more thing out, very quickly. I talked at length
18 to both of these centers, because the engines is a very
19 important thing to anybody that wants to get in the air.
20 Most of the work in the Air Force depots is turning
21 out now, is moving over to intermediate maintenance as
22 opposed to depot maintenance, and they expect that trend to

1 even increase in the out years, and what that essentially
2 means is that the nature of an engine overhaul becomes less
3 today because they find preventative maintenance is much
4 better than waiting until you blow a hole in an engine and it
5 becomes a major overhaul repair.
6 So they have to have less complicated equipment in
7 total, but they have to have more of the equipment, because
8 there are more engines.
9 CHAIRMAN DIXON: Commissioner Cox.
10 COMMISSIONER COX: More numbers here. I'm just
11 registering what you just said. 4.4 million is the projected
12 workload for '99?
13 MS. REESE: FY '99. Yes.
14 COMMISSIONER COX: And 5.7 million is the capacity?
15 COMMISSIONER ROBLES: The commander of Tinker
16 indicated that his capacity was 5.7 million hours for engine
17 work.
18 COMMISSIONER COX: So that's more than a 10 percent
19 excess capacity? I thought we were talking about 5 and 5.7?
20 MR. OWSLEY: I can tell you at this point, I'm not
21 sure I can multiply.
22 CHAIRMAN DIXON: Well, try to answer the question

1 that the Commissioner Cox is asking. This is very serious
2 business. Let's proceed. Commissioner Cox.
3 COMMISSIONER COX: It would be over a 20 percent
4 excess capacity --
5 MR. BORDEN: It's 29.5.
6 COMMISSIONER COX: There we go. Thank you.
7 CHAIRMAN DIXON: All right.
8 MR. OWSLEY: Thank you, Ben.
9 CHAIRMAN DIXON: Are there any further questions?
10 COMMISSIONER ROBLES: Yes, just one quick question.
11 CHAIRMAN DIXON: Commissioner Robles.
12 COMMISSIONER ROBLES: You said that the commander
13 of Tinker said that?
14 MS. REESE: Yes, when asked --
15 COMMISSIONER ROBLES: In all deference to
16 commanders at depots, I understand what they get paid to do.
17 What does the United States Air Force say?
18 MS. REESE: 5.1 million hours capacity.
19 COMMISSIONER ROBLES: Okay. Let's not get
20 mesmerized by what a depot commander says. Remember, they're
21 in the business of doing workload. And, having been one for
22 most of my adult life, commanders have a sense in their

1 lexicon. It's called "can do."

2 So I'm interested in what the Department says

3 pragmatically can be done.

4 CHAIRMAN DIXON: Are there any further questions or

5 statements before Ms. Reese proceeds? Commissioner Cox.

6 COMMISSIONER COX: I'm sorry. I see that Ben had

7 his calculator out and, since I asked for the 29 percent

8 based on the commander, I should ask for what percentage is

9 the excess capacity in 1999, based on the Air Force's

10 numbers?

11 MR. BORDEN: Based on those numbers of 4.4 and 5.1,

12 that's 15.9 percent.

13 COMMISSIONER COX: 15.9 percent. Thank you.

14 MS. REESE: And to further answer Commissioner

15 Robles' question about engine capacity, I did a quick

16 calculation of the Jacksonville capacity, and there's about

17 650,000 hours of unutilized capacity in Jacksonville.

18 COMMISSIONER ROBLES: Thank you.

19 CHAIRMAN DIXON: Now, are there any further

20 questions?

21 (No response.)

22 CHAIRMAN DIXON: Ms. Reese, you may proceed.

1 MS. REESE: Thank you. Next slide. Fine.

2 This chart is an example -- excuse me. This last

3 slide summarizes the economic and tiering information that I

4 presented, so you can more easily see the differences between

5 installations.

6 The one-time costs that the Commission staff used

7 for their COBRA assumptions declined slightly. The annual

8 savings and return on investments driven by the differences

9 in personnel assumptions are the more marked difference. The

10 adjustments that we've made to our COBRA assumptions are very

11 conservative. We believe that the savings that we've listed

12 are very realistic.

13 The closure of Air Force depots could reduce excess

14 DOD infrastructure and could make funding, not otherwise

15 available, available for flying hours, investment, or quality

16 of life.

17 And that concludes my presentation.

18 CHAIRMAN DIXON: That concludes your presentation,

19 Ms. Reese? Are there any questions?

20 COMMISSIONER COX: Yes.

21 CHAIRMAN DIXON: Commissioner Cox.

22 COMMISSIONER COX: We say the one-time costs

1 decreased slightly, but it's a pretty large percent. I'm
2 just looking at first one -- McClellan, 5.75 to 4.10. Can
3 you tell me what -- my math is pretty bad too, at this point
4 -- but that's $165 million difference, well over 10 percent
5 decrease -- what are the big factors in that?
6 MS. REESE: One of the factors was the assumption
7 that we not include a $30 million amount for Base Conversion
8 Agency costs on top of --
9 COMMISSIONER COX: Of the $9 million?
10 MS. REESE: -- on top of the $9 million.
11 COMMISSIONER COX: Okay. So that's $20-something
12 million.
13 MS. REESE: Yes. Just a second. Yeah. Another
14 one-time costs that comes down is the moving costs. We're
15 realigning fewer personnel through our COBRA assumptions.
16 COMMISSIONER COX: Is there an average? I see Mr.
17 Bivins back there -- there is an average moving cost? How do
18 we get that number?
19 MS. REESE: Okay. We're going to pull that out.
20 COMMISSIONER COX: Okay. I guess I'm looking for,
21 is that $100 million of the $165 million or is that $20
22 million?

1 MS. REESE: I guess we're pulling out a slide that
2 will answer your question.
3 COMMISSIONER COX: Okay. And also, if you would
4 just go through that on Kelly, too?
5 MS. REESE: Yes.
6 COMMISSIONER COX: Not every one, but the big
7 numbers.
8 MS. REESE: Okay. Well, another significant
9 difference was the -- surprisingly, the DLA projection to
10 move inventory was substantially lower in all cases except,
11 in one ALC, it was higher. I think it was about $20 million
12 less.
13 We used DLA's assumption based on the fact that
14 they've had experience with closing distribution depots and,
15 of course, they're the people that are going to be bearing
16 the costs, so we used their costs, rather than the Air
17 Force's costs.
18 Another cost is the civilian terminal leave cost.
19 I think it's about a $5 million or $7 million difference.
20 We assumed that the terminal leave or accrued annual leave is
21 an obligation of the government, regardless, so we also took
22 that out of our COBRA assumptions.

1 What are the other big differences?

2 CHAIRMAN DIXON: Are there any further questions of

3 Ms. Reese?

4 COMMISSIONER KLING: I have a comment I'd like to

5 make.

6 CHAIRMAN DIXON: Commissioner Kling has a comment.

7 COMMISSIONER KLING: You know, I had the -- and

8 I'll say this -- I had the privilege of visiting every one of

9 these depots, and I'm speaking for myself. I can be

10 particularly proud of what we have out there, of all these

11 installations. These are wonderful, wonderful places and the

12 people are absolutely spectacular at every one.

13 However, saying that, when you look at some of

14 these figures and when you look across each location, and you

15 see multiple plating facilities, you see multiple painting

16 facilities, you see multiple machine shop facilities, it

17 kinds of leads you to fact of saying, we do have a lot of

18 duplication and, when you look out -- and just forgetting the

19 figures and the numbers -- you see tremendous capacity

20 available in all these depots.

21 And then you, of course, look at the Roles

22 Commission, that says the private sector is another direction

1 to go for these depots -- which I happen to believe, that
2 that is a thing in the future -- all of this, it leads you to
3 a conclusion, as painful and as tough as it is, and
4 unpleasant, that the direction to go is to close some of
5 these facilities, these depot facilities that we have.
6 And I just wanted to make the comment that they're
7 all wonderful, they're all great, they serve this country
8 very, very well, and it's very, very tough, but that's -- I
9 just wanted to make that statement.
10 CHAIRMAN DIXON: Thank you, Commission Kling.
11 Commissioner Steele and then Commissioner Davis.
12 Commissioner Steele.
13 COMMISSIONER STEELE: Okay. A general question and
14 then a couple of specifics, if I could, please.
15 The Dorn memo that's been referred to at times, I
16 believe projects in 1999 or dictates in 1999 that the
17 employment level in the ALCs drops 26,000 people from, I
18 guess, about 72,000 today; is that correct? Are those
19 numbers right?
20 MS. REESE: That sounds right.
21 MR. OWSLEY: Yes, they have.
22 COMMISSIONER STEELE: So tell me how that's going

1 to impact this, as well. I mean, we always say we need all
2 the depot personnel, largely, to do this workload, but even
3 though they need it, they're going to lose 26,000 people by
4 '99 as directed by the Department.
5 How does that impact -- number of ALCs affect that
6 workload balance?
7 MS. REESE: Well, you know, the ALCs have been
8 through a tremendous amount of downsizing over the past many
9 years. This is just a further hit, if you will, that the
10 ALCs will have to take, and it gets relatively more
11 expensive, on a labor-hour rate, to run these places because,
12 you know, of course, when you maintain all five, you maintain
13 the cost, you know, the infrastructure to run them, with
14 fewer and fewer personnel.
15 I think it would be tremendously difficult to
16 take --
17 COMMISSIONER STEELE: To spread that workforce out
18 over five versus a number less than five.
19 MR. OWSLEY: I think we should correct one thing.
20 The Dorn memo really has to be in effect by 2001.
21 COMMISSIONER STEELE: Okay. I'm sorry.
22 MR. OWSLEY: I just want to make sure we don't --

1 COMMISSIONER STEELE: Okay. Specifically with
2 Kelly, just a couple more things. The AFMC study projected
3 the $52 million MILCON for the annual maintenance of 13 C-5
4 aircraft in this one memorandum I've been given, and the
5 annual projected workload is 21 aircraft.
6 I'm wondering if the numbers we are using match up
7 with the actual workload necessary in this particular
8 category?
9 MR. OWSLEY: The 13 versus 21 was brought up by the
10 San Antonio community. I believe that's the only place I've
11 seen it. I called AFMC headquarters on this twice now, and
12 their projections are, and certainly in the time frame that
13 this BRAC would take place, will be 13 aircraft, and that's
14 what they based their COBRAs on and that's what they based
15 the $52 million for the hangar on.
16 Other than that, there is a possibility that you
17 might get into some situation where you indeed had to process
18 through more aircraft. One time there was 33 C-5s setting
19 down at San Antonio and they were trying to process them very
20 quickly, but the number that they were supposed to use during
21 this exercise, both the ALCs and in inputting data and the
22 people receiving the data, was 13 airplanes per year to be

1 processed.

2 COMMISSIONER STEELE: Okay. Do you all have a

3 backup chart on some of these costs, Kelly's specific costs

4 on C-5 and engines?

5 MS. REESE: On C-5 engines?

6 COMMISSIONER STEELE: Well, C-5 workload and

7 engines, just the differences between what Kelly or the

8 community has stated and what you believe those numbers ought

9 to be, just so we can make sure we have addressed everything

10 here. And the reason I ask, earlier I had asked the question

11 of what percentage of workload at Kelly is the C-5 and is

12 engine work.

13 MS. REESE: You would like to see the percentages?

14 COMMISSIONER STEELE: Yes. What is the total

15 amount of workload at Kelly that's in these two functions.

16 MS. REESE: Okay. Could we have slide 48-A please?

17 CHAIRMAN DIXON: Slide 48-A, please.

18 MS. REESE: This is the composition of the major

19 work at Kelly, and you can see that the C-5 airframe is about

20 24 percent, C-5 engine is 29 percent, all other engines, you

21 know, the difference, if you will, is 30 percent. And so in

22 total, C-5 and engines is 83 percent of Kelly's work.

1 COMMISSIONER STEELE: Okay. I asked all this
2 because I am an economist by background and by nature but the
3 decision is readiness, military value and making sure things
4 fit, which is why I want to get very specific on -- even
5 though I agree with the assumptions we are proceeding with
6 here, I want to know, you know, real numbers and real
7 amounts, if you wonder why I'm digging so deeply here.
8 We had a cost chart also, I believe, Ms. Reese,
9 comparing data?
10 MS. REESE: Yes, we have. Could I have chart 48-B,
11 please?
12 CHAIRMAN DIXON: 48-B.
13 MS. REESE: This is a chart that shows numbers that
14 were displayed on a memorandum that indicate the Kelly
15 community estimates of costs for the categories that I have
16 listed on the left. And I have also picked up the costs that
17 the Air Force includes in those categories and then we have,
18 as I mentioned, changed some assumptions in our COBRAs and so
19 you can see the differences.
20 The Kelly community estimates construction costs
21 for the C-5 hangar of $82 million -- or, excuse me, they
22 estimate military construction of $82 million. The Air Force

1 includes a $52 million construction cost for C-5 hangar. We
2 have included that in our COBRA as well. There is other
3 construction costs that the Air Force have put into their
4 COBRAs to support C-5 work for a total of $78 million that
5 can be attributed to C-5 work in the Air Force COBRAs. And
6 as I mentioned, we didn't change any of the MILCON costs in
7 our own.
8 COMMISSIONER STEELE: Okay. There is a large
9 differential on transfer of equipment. Have we looked into
10 that?
11 MS. REESE: Yes, I have tried to determine the
12 basis for that $102 million and have been unsuccessful. I
13 simply pulled, for the next two columns, what is contained in
14 the Air Force and our COBRAs for the cost for transfer
15 equipment. I can not tell you what is in the 102. I have
16 asked.
17 MR. OWSLEY: We furnished that 102 million after it
18 was submitted to AFMC headquarters and yesterday they called
19 us and said they can not reconcile with that number and that,
20 again, that their numbers and the COBRAs and the FMC-21 is
21 based on 13 airplanes and that those are their correct
22 numbers as they have them in the COBRA. We don't know where

1 the 102 came from -- or the makeup of it. We know where it
2 came from.
3 COMMISSIONER STEELE: So that is the C-5 workload.
4 And under the staff closure assumptions, the up-front cost to
5 close was 412 and some million and that the piece for the C-5
6 would be somewhere between the commission number and the
7 community number, maybe the Air Force's number in there.
8 MS. REESE: What I am displaying on the commission
9 staff column is out of that COBRA that you are making
10 reference to of a total 412 one-time cost.
11 COMMISSIONER STEELE: Okay. And the C-5 workload
12 plus the engines. And we didn't have a dollar amount on
13 engines to move them, did we, earlier when we discussed
14 engines? The gentleman, the financial director from Kelly,
15 had said it was a significant taxpayer investment. Do we
16 have a dollar sign that goes to that or an estimate, educated
17 estimate at all?
18 MS. REESE: There is the cost for modifications, as
19 I understand it, included in the Air Force COBRAs.
20 COMMISSIONER STEELE: That's right. I apologize.
21 I remember.
22 MS. REESE: I don't know -- I don't have reference

1 to that immediately. I did not change it in our version of
2 the COBRA.
3 COMMISSIONER STEELE: Okay. Mr. Chairman, I have
4 some questions on McClellan as well. We have kind of been
5 talking a lot about Kelly but if you would like I will pull
6 back those until we shift gears, whichever you prefer.
7 CHAIRMAN DIXON: Commissioner, I want to
8 accommodate every commissioner and then I want to remind
9 every commissioner we have voted only three times so far.
10 But I certainly am interested in having every commissioner be
11 fully heard. Commissioner Davis is next.
12 COMMISSIONER DAVIS: Sir, as you can tell, we are
13 in an excruciating period. And mentioning excruciating, I
14 hope we have a health and maintenance break here shortly.
15 CHAIRMAN DIXON: After the vote we will have one,
16 Commissioner. We are going to have a vote before we have a
17 health break.
18 COMMISSIONER DAVIS: A couple things. Having
19 ridden about two and a half feet from some of the products
20 that Kelly does, and I know Mr. Owsley talked about
21 intermediate and we'll do a little bit better, I know the
22 services are divesting their intermediate maintenance because

1 the mean time between failure improvements occurred across
2 the products.
3 But I still think there will be a legitimate amount
4 of depot work that will be required, some slight reduction,
5 but I'm not sure I agree with significant reduction, which I
6 thought you led us to believe.
7 MR. OWSLEY: Well, they said that in engines was
8 all. I don't know about the rest.
9 COMMISSIONER DAVIS: Well, the problem with
10 engines, or jet aircraft engines, is catastrophic failures
11 sometimes require excess capability. And I note you talked
12 about the joint service groups but yet the Secretary of
13 Defense neglected to pass any of those on. We acknowledge
14 that so it's not the duty of this commission to try to fix
15 that.
16 Sir, I would like to make -- join General Robles
17 with -- this is my soap box. I am very familiar with these
18 products and we've got a very fine staff here, but as staffs
19 tend to do things we seem to be overly fascinated on capacity
20 -- depot capacity. Staffs love to measure things and
21 capacity is the easiest thing to measure, and bean counters
22 love capacity because it's easy to measure.

1 But capacity can generally be equated to buildings.
2 There are some other measurements, but capacity can generally
3 be equated to buildings. And, frankly, some over-capacity
4 helps. It allows that surge work that all of us who have
5 flown these jet engines would like the capability to exist.
6 It allows some commanders, frankly, with over-capacity -- and
7 I mean more buildings than they really need at the present
8 time -- to tear down some buildings that should have been
9 torn down a long time ago but, frankly, they could not afford
10 to because they had to keep the capability that capacity gave
11 them going.
12 Capacity is important and we should concern
13 ourselves with it, but capability is the one thing that we
14 really need to keep our eyes on the ball. Capability is what
15 -- is men, women and machines, and what they produce.
16 Capability is what provides us that war-fighting capability.
17 In the Chairman's opening remarks he stated, and I
18 quote, "Since 1986 we have reduced the size of the military
19 30 percent." That is capability lost since 1986. Those are
20 forces that are gone. The Air Force depots have drawn down
21 their work forces by 32.08 percent in that same time frame
22 since 1986, and I suspect if I couldn't get the Army and the

1 Navy's numbers on such short notice, but I think if you look
2 at the Army and the Navy you are going to see exactly the
3 same thing.
4 That is capability that is lost before we take any
5 action on any depot of any service here today. Closing
6 depots, in my view, is a very, very serious thing. It can
7 severely disrupt that service and, in particular in this
8 discussion, the Air Force's capability, war-time capability.
9 You have heard all the discussions about Kelly and
10 McClellan and their capabilities, the C-5 high bay hangar.
11 The C-5 is a particularly different weapon system and there
12 are many times a C-5 must be under cover to perform any
13 maintenance function. So ramps also are capability, are
14 capacity, but they can't necessarily be totally measured in
15 capability.
16 We only need to remember the time you could look on
17 one of these depots' ramps and see F-15s sitting out there
18 without any engines in them because we didn't have the
19 capability to rebuild those engines and get them flying
20 again. And we can not ever forget the Tinker hangar fire.
21 In reducing capacity to the optimum amount,
22 whatever that might be, we lose, I think, capacity and

capability to do more joint cross servicing. Privatization can work, but privatization takes a long time to get started and with proprietary information you may not be able to do it at all. It depends on the contractor.

So as we reduce capacity, I would recommend that we do it very carefully. We keep our eyeball on the capability and make sure we do not impact on those vital weapons programs that we are considering here, such as maybe the F-22, the B-2, and others.

Thank you, Mr. Chairman.

CHAIRMAN DIXON: Thank you, Commissioner Davis. Commissioner Montoya.

COMMISSIONER MONTOYA: Mr. Chairman, I think that we could talk about these numbers the rest of the week and avoid the ultimate, and I want to be the first to throw a rock, not at anyone but in a big pond and start the ripple effect. So I'm going to put my stake in the ground on where it is this commissioner thinks we ought to go, and maybe that will advance the thought to a vote.

First of all, I want to give the Air Force credit for what they have done in this sense. I have come to believe that they believe what they have put forth sincerely

1 and accurately, based upon their philosophy.

2 I also want to dispel out of my reasoning the chart

3 that we saw this morning that pits employee productivity base

4 against base in any way, shape or form. I think that

5 productivity at a base is often a function of leadership, is

6 often a function of management, and often a function of the

7 kind of work you're doing. And one gets into all sorts of

8 subjectivity. So that, for me, is off the scope.

9 But the facts are that over the course of the years

10 the other two services have, in fact, closed depots. When I

11 graduated from the Naval Academy we had some fourteen

12 shipyards and now we are contemplating going to four. And so

13 there have been some serious depot downsizings over time of

14 some very, very important facilities.

15 As I view the facts, we are about the business of

16 saving money and about matching productive capacity in this

17 country to our workload. I believe that to close no depots

18 would be shirking the job that we have before us. I also

19 believe, having heard the Air Force, having heard them and

20 believe them, that maybe closing two would be too much.

21 However, if I have the option of zero or two, then I think

22 two would still be appropriate, based on my analysis.

1 The issue for me is which one. We have, by my
2 numbers and gathering data, gathered up about $800 million
3 for the Air Force to close something, 566 in the laboratories
4 we chose not to close, plus 234 million from the ALCs in
5 general. So there is money there to close something and so
6 the issue is which one and as difficult as this is for me, I
7 come down and I will only comment on the one not to close and
8 leave it to my colleagues to further help me with the debate
9 of which one.
10 I don't think closing the depot at Sacramento,
11 McClellan Air Force Base, is the right one. And why do I say
12 that? First of all, I don't think that the savings are there
13 to the extent they are at other places, number one. Number
14 two, those that would argue that to close that base would
15 create a clean kill environment; i.e., the base goes away,
16 because of an issue that exists there that we all acknowledge
17 but we don't calculate, which are a serious environmental
18 problem. If we close McClellan Air Force Base and the Air
19 Force will live with that base around its neck for the next
20 ten to fifteen years at enormous cost, and I can not ignore
21 that fact when we're talking about saving money.
22 The functions that are done at McClellan are not

1 unlike the laboratories that we have just kept open. They
2 are extremely unique functions. They do not fit well in
3 matching with other of the depots in the country and,
4 therefore, I don't think that there is the further potential
5 of cost savings from consolidations.
6 And, lastly, and it is a criteria which I have
7 looked at very, very hard, this is the one place where if you
8 close this particular base the military is gone. There have
9 been two other base closures taken place in Sacramento, one
10 Air Force base, one Army base. If McClellan goes, there is
11 going to be a cumulative impact unlike any other location
12 and, secondly, those federal employees will not have safe
13 haven in their area, which would be possible at other
14 locations. And I think that that is, all things being equal,
15 a factor that ought to be considered.
16 I want to conclude by saying I want to make it
17 clear that I am going to vote for the closure of a base. I
18 won't vote for this one. And I also believe that there is a
19 possibility this commission will close two, based on my sense
20 of the questioning and sense of our commissioners, and I am
21 prepared to go there too, Mr. Chairman.
22 Thank you.

1 CHAIRMAN DIXON: Thank you, Commissioner Montoya.
2 Commissioner Robles.
3 COMMISSIONER ROBLES: Mr. Chairman, since we have
4 joined the debate I think I need to, if you thought I was on
5 a soap box before, you will really think I'm on a higher soap
6 box now. And I am going to talk to you not from my
7 previous -- and I spent a lot of my years -- you know my
8 unique background that I was one of these dual track guys in
9 the Army that spent about half my time as a commander or in
10 operational billets and half my time into programming,
11 budgeting, and analysis business.
12 You have heard a dizzying array of numbers in front
13 of you this morning. If you think that's bad, you ought to
14 have been here for the last six or seven weeks trying to
15 absorb these great numbers. So I'm not going to try to
16 confuse you any more. The law of large numbers speak. There
17 is excess capacity in the United States Air Force depot
18 system, period. We can argue all day long about how much
19 capacity, fine-tune it down to the nth degree, but I think,
20 and you know from day one when I started my line of
21 questioning when we had the testimonies, I have always
22 believes there was excess capacity.

1 The issue was how much and what was the prudent
2 thing to do. Now, I want to dispel the notion that
3 downsizing is bad. I personally participated in the United
4 States Army's downsizing efforts, and because we didn't have
5 any money and we had to downsize. But one thing that was
6 always paramount in our analyses was that we were always
7 looking at the current pocket book but an eye on the future.
8
9 And so when we decided to close ammunition plants,
10 for example, we just didn't close the ammunition plant; we
11 warm-based a lot of the facilities, left a hotline or two
12 open, so that in time of war we would have the ability to
13 search quickly and get on with it.
14 Now, I have heard a lot of talk about the private
15 sector, and I work in the private sector today, but there are
16 just some things that the private sector does not do well,
17 nor does it have the facilitation to do well and it would
18 take an enormous amount of time to do that. You just don't
19 fix tanks in the private sectors. You don't fix C-5As at
20 this time in the private sector.
21 Now, I'm not saying that's not a strategic thrust
22 that we ought to not take, and I'm not saying that in the

1 year 2000 or 2005 or 2010 we won't be there, but I'll tell
2 you I was in the service for almost 30 years and we have been
3 talking about privatization since the day I came in as
4 lieutenant and we aren't that much farther ahead today than
5 we are now.
6 So given that as a backdrop, I think we have to be
7 very, very careful that we don't take a -- go a bridge too
8 far and really cut a capacity that I worry about. And you
9 say, well, if you spent so much time as a war fighter, why
10 aren't you fighting about force structure? I'll tell you.
11 Force structure is easy. It is relatively easy to cut out
12 force structure. It is hard as heck to cut out
13 infrastructure, and especially maintenance infrastructure.
14 When I was the Army's budget director I was on --
15 some of the folks here -- I was on depots big time because I
16 thought their overhead was too high. I thought that there
17 was excess capacity. But I never, ever was a champion of
18 closing everything we had down. What I said was we got to
19 get more efficient, we've got to cut our overhead, et cetera,
20 et cetera.
21 And so I have heard a lot of debate today about all
22 that and I will tell you that I believe as my colleague,

1 Admiral Montoya, that we do have responsibility to close some
2 of that capacity. I also believe we have responsibility to
3 close one depot.
4 I don't believe that we want to close two and get
5 our capacity and capability down so tight that if we ever had
6 to fly the C-5A, for example, its wings off again, we would
7 be scrambling to say, Jacksonville, can you do this? Tinker,
8 can you go to two shifts and do your other work? Private
9 sector, can you help us? Yes, we could do that on an interim
10 basis, but you're not going to do that quickly and without
11 having any readiness impact or operational impact.
12 Now, the other part of this is an operational
13 commander being handed a lot of these BRAC decisions from
14 BRAC '88, '91, and '93. You've got to implement them and,
15 yes, you will get it done. But you will get it done very
16 often more inefficiently, longer, and certainly more
17 expensively. The track record shows that clearly,
18 irrespective of testimony I have heard here. It has
19 traditionally cost us more.
20 And so we also have to guard against the notion
21 that just because you see a set of numbers on a chart you can
22 make those set of numbers walk immediately and you can make -

1 - you could do it for that number. If that's the case, a
2 very senior officer told us yesterday if you can certify
3 those numbers I'll do this in a heartbeat. The answer is we
4 can't because it doesn't work quite that easy.
5 And in all deference to the discussion you just
6 heard, I remember the first time I went on a C-5A. That is a
7 complex weapons system. It is not a 747, it is not just an
8 engine; it is a complete weapons system that has all sorts of
9 diagnostic self-tests in it. I have flown many hours in one.
10 In fact, when I was in Desert Storm I had to come back on
11 emergency leave and what brought me back, a C-5B. And I was
12 amazed at the capability of that aircraft.
13 I also know that I was an assistant division
14 commander for logistics over there and my job was to arm,
15 fuel, and fix the force, and so I was very attuned to
16 logistics and maintenance capability. And I'm telling you if
17 we hadn't had that organic maintenance capability to fix that
18 air frame, the C-130 fleet and the C-5 fleet, we wouldn't
19 have had a successful Desert Storm.
20 We can talk about all the war fighting you want.
21 The key to Desert Storm was the logistics infrastructure, the
22 flow of men and material, the ability to maintain that force

1 out there in the desert when there was nothing but sand, and
2 the organic capability we had in the United States Armed
3 Forces.
4 So I just caution all of my colleagues that before
5 we take a bridge too far, before we get in a zeal to get
6 mesmerized by numbers and cut all our capacity, before we
7 take a risk that may be ill-advised, that we carefully think
8 exactly what we are doing here and not like a deer in the
9 street get in the headlights, look at the numbers and say,
10 oh, yeah, we can make that happen; that's the right thing to
11 do. It may be the right thing to do, but we ought to walk
12 that dog a little slowly up the trail.
13 So having said that, sir, I yield my time.
14 CHAIRMAN DIXON: Now, I thank every commissioner
15 for every question and every statement and tell every
16 commissioner that I cast hundreds of thousands of votes in 42
17 years. A lot of them I didn't like, but at some time you
18 have to vote.
19 Does any commissioner have anything further they
20 want to say before we come to the hard question?
21 Commissioner Steele.
22 COMMISSIONER STEELE: I just wanted to say I agree

1 with General Davis greatly on that if we proceed in a
2 direction that this commissioner has decided to proceed, we
3 will not have some, for my vote anyway, I am willing to let
4 go of some really top-notch, even state-of-the-art depot
5 facilities. I think all five Air Force ALCs are just
6 incredible installations. They truly are.
7 My frustration throughout this entire round, and
8 actually watching BRAC since '91, is the issue of inter-
9 servicing that you addressed. And I've seen the ball bounce
10 back and forth between the department and the commission and
11 back to department and back to a BRAC commission, and I think
12 the department did an outstanding job in creating the joint
13 cross service group to look at inter-servicing and truly
14 utilizing some of these assets but, unfortunately, I feel
15 like they were given a responsibility but not the authority
16 to make it happen.
17 And I point no fingers specifically at anyone, but
18 somewhere the leadership wasn't exercised to make that
19 happen. The ball is back in this commission's court. I
20 think on any BRAC commission that -- and it's the last
21 statutorily directed BRAC commission, I would add at this
22 point.

1 Any BRAC commission that has the value of the
2 experience base of men and women who have served in the armed
3 services is also going to have individuals that feel that for
4 a BRAC commission to be extremely independent, your -- we
5 would be going too far. We would be pushing into operational
6 decisions back at department's level and that the decision
7 ought to be made back at DOD. I've seen it go back and
8 forth.
9 It's the last round at this point. Nobody has been
10 giving much on inter-servicing. I feel like the overhead is
11 doing more damage to readiness, carrying that overhead, than
12 under the assumptions that are presented today would allow a
13 transfer of some of those functions in excessing some of that
14 overhead. And so at this point I am -- however difficult
15 this is, and I can't even tell you how difficult this is for
16 me, I am willing to proceed to vote to close some --
17 CHAIRMAN DIXON: I thank Commissioner Steele. Is
18 there any other commissioner that has any statement that the
19 commissioner wants to make or any question any commissioner
20 wants to ask?
21 COMMISSIONER DAVIS: Mr. Chairman.
22 CHAIRMAN DIXON: Commissioner Davis.

1 COMMISSIONER DAVIS: I need to add one final
2 statement, and I very much respect Admiral Montoya's remarks.
3 We're classmates so we've known each other a long time. All
4 the service depots are fine depots and I agree that closing
5 them is particularly excruciating. But depots are not depots
6 are not depots so, you know, closing half of the Navy depots
7 and closing part of the Army depots previously is important
8 but it may not be as relevant as we might want to make it.
9 My particular concern, a specific concern as it
10 involves engines, is that we have not had a new engine come
11 on board, and as I'm sure Senator Dixon in his previous life
12 remembers, that new engines are a very difficult process and
13 you end up with some sort of catastrophic failure or blade
14 failure or something like that that requires a lot of care
15 and feeding early on that's done jointly with the depots and
16 the private sector.
17 The one thing the depots do give you a very good
18 capability is immediate reaction to a problem. So please,
19 commissioners, let's keep it in mind that the kind of
20 capability that we are about to vote on to either keep or
21 throw away.
22 CHAIRMAN DIXON: Thank you, Commissioner Davis.

ORIGINAL

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

OPEN MEETING

8:30 a.m.

Hart Senate Office Building
Room 216
Washington, D.C.

Friday, June 22, 1995

Diversified Reporting Services, Inc.
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COMMISSIONERS PRESENT:

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Alton W. Cornella

Rebecca G. Cox

J.B. Davis

S. Lee Kling

Benjamin Montoya

Wendi Louise Steele

Josue Robles

C O N T E N T S

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Cross Service Team 10

Jim Owsley, Team Leader
Ann Reese, DOD Analyst
Brian Kerns, Analyst
Glenn Knoepfle, GAO Analyst
Les Farrington, GAO Analyst
Dick Helmer, GAO Analyst
Joe Varallo, Associate Analyst

Air Force Team 339

Frank Cirillo, Team Leader
Lieutenant Colonel Bob Bivins, DOD Analyst-COBRA
Dave Henry, Economic Analyst
Deirdre Nurre, Environmental Analyst
Jon Flippen, FAA Analyst
Marilyn Wasleski, GAO Analyst
Ty Trippet, Associate Analyst

MOTIONS: 32, 36, 48, 133, 139, 219, 231, 236, 238, 252, 258, 274, 289, 293, 299, 302, 306, 311, 314, 317, 319, 322, 325, 327, 330, 332, 336, 348, 355, 371, 389, 391, 393, 418, 420, 441, 443, 445, 449, 454, 457, 467, 470, 473, 478, 483, 486, 488

1 P R O C E E D I N G S

2 CHAIRMAN DIXON: Good morning, ladies and
3 gentlemen, and welcome to the first day of the final
4 deliberations of the 1995 Defense Base Closure and
5 Realignment Commission.
6 My name is Alan Dixon, and I am chairman of the
7 Commission. With me are my colleagues, Commissioners Al
8 Cornella, Rebecca Cox, General J.B. Davis, S. Lee Kling,
9 Admiral Benjamin Montoya, General Joe Robles, and Wendi
10 Steele.
11 Today, we will begin to decide which military bases
12 to recommend to the President for closure or realignment. It
13 is a painful responsibility which none of us sought, but
14 which we are determined to carry out in a deliberate way that
15 will improve long-term military readiness and insure we are
16 spending the American taxpayers' money in the most efficient
17 way possible.
18 Yet, as unappealing as our task is, I can assure
19 every American taxpayer that we are as well-prepared for it
20 as any eight people could be. In the 16 weeks since we
21 received the recommendations of the Secretary of Defense,
22 commissioners and staff have made 205 visits to the 165

1 military installations and activities. We conducted 16
2 regional hearings around the country and in Guam. We held
3 another 13 hearings in Washington and have had hundreds of
4 meetings with community representatives and elected
5 officials.
6 The commissioners have worked hard. The staff has
7 worked hard. The process has been open at every point, and
8 whatever the outcome of our votes, I am confident when I say
9 I believe that every community on the list has been treated
10 and will be judged fairly.
11 Before I describe how the final deliberations will
12 be conducted, I wanted to offer my thanks on behalf of the
13 other commissioners and our staff to all the military and
14 civilian personnel who have cooperated with us completely and
15 graciously during what is clearly a traumatic time for them.
16 They show character beyond words and do their country proud.
17 Now, let me describe how these deliberations will
18 proceed. When we finish our work today, we will resume work
19 in this room at 8:30 tomorrow morning and Saturday morning.
20 If we have not finished by Saturday, we will take off Sunday
21 and return here Monday morning at 8:30 and for as many
22 mornings as necessary.

1 We have deliberately left these work days open-
2 ended and will know only late on each day what time we will
3 stop work. For those reasons, it is impossible to predict in
4 advance what time of what day a base will be considered.
5 We will begin in a few minutes with a presentation
6 by our staff cross-service team. This presentation will
7 include the installations in the following categories: Air
8 Force laboratories and product centers; Air Force depots;
9 Army depots; Navy depots/warfare centers; Navy technical
10 centers; and the Dugway Proving Ground and a group of five
11 miscellaneous Air Force installations.
12 As will be the case throughout the deliberations,
13 our staff will present the commissioners with the results of
14 its review and analysis of the data underlying the
15 recommendations on the Secretary's list and regarding the
16 bases the Commission added for consideration on May 10.
17 After the presentation on each installation, there
18 will be as many questions and as much debate as the
19 commissioners desire, and then it will be appropriate to
20 entertain a motion for some kind of action. It is our
21 intention to vote on each installation after its
22 presentation. The final result on each base will be known at

1 that time, notwithstanding the fact that we have until july 1
2 to deliver our formal report to the President.
3 After the cross-service team is finished, we will
4 move on to the Air Force, then the Navy, the Army, and
5 finally, the Defense Logistics Agency.
6 Now, let me take a minute to describe our voting
7 procedure, because it may be slightly confusing at times.
8 The base closure statute affords the recommendations for of
9 the Secretary of Defense a presumption of correctness. From
10 a practical standpoint, that means the Commission can
11 overturn or modify the Secretary's recommendation only by a
12 majority vote.
13 If a motion to reject or modify the Secretary's
14 recommendation ends in a tie, then the motion fails and the
15 Secretary's recommendation stands. In addition, in order to
16 overturn the Secretary's recommendation, the Commission must
17 make a specific finding that the recommendation has
18 substantially deviated from the force structure and base
19 closure criteria.
20 In the case of a motion to accept the Secretary's
21 recommendation, a tie vote is all that is needed to support
22 the Secretary. A majority vote is not necessary. The base

1 closure statute does not give the same presumption to bases
2 added to the list by the Commission. These bases can be
3 closed or realigned only with a majority vote.
4 Further, there is no need to make a motion to keep
5 an added base open. We do not have to vote on all the bases
6 we added, and if we do not vote, that particular base will
7 remain open.
8 The Chair will try to make sure we all understand
9 these distinctions as we proceed with the voting.
10 Now, before I recognize the Commission staff
11 director, David Lyles, who will begin the presentations, I
12 would like to say a few words about the difficult task at
13 hand and how I approach it. I believe the elimination of
14 excess infrastructure in the Defense Department is critical
15 to the ability of the military services to maintain and
16 modernize their forces over the next decade.
17 All of us are aware of the pressures on the defense
18 budget. In the last 10 years, the defense budget has
19 declined almost 40 percent in real terms. For FY 1996, the
20 military budget for modernization and procurement of new
21 weapons is $39.4 billion -- down 71 percent since 1986, and
22 in real terms at its lowest level since 1950.

1 Since 1986, we have reduced the size of the
2 military by 30 percent. If this Commission closes everything
3 the Department wants closed this year, we will have reduced
4 the infrastructure by just 21 percent in all four rounds of
5 base closure.
6 There are no bad bases left to vote on. All the
7 installations before us have made it through three rigorous
8 rounds of cuts. Nonetheless, throughout our four months of
9 visits, hearings and analysis, certain indisputable facts
10 emerge: First, DOD officials have testified that even after
11 this round is completed, there will still be significant
12 excess infrastructure in the Defense Department.
13 Second, DOD officials have also testified that the
14 services are counting on the savings from this round to
15 reverse the decline in their modernization funding. Third,
16 the overall defense budget is likely to decline over the next
17 few years. And fourth, this is the last round of closures
18 under the current, expedited procedure, and it is unclear
19 whether Congress will ever authorize another round.
20 Having said that, I believe it is critical that the
21 Commission achieve at the very minimum the level of savings
22 proposed in March by the Secretary of Defense. I would

1 personally prefer to achieve greater savings.

2 As I have said earlier, the base closure law allows

3 the Commission to remove a base from the Secretary's list

4 only if it finds substantial deviation from the force

5 structure plan or the selection criteria. For my part, I

6 will apply a very rigid test to this question of substantial

7 deviation, because I believe that closing bases now is the

8 key to the continued readiness and future modernization of

9 our military forces.

10 Now, ladies and gentlemen, we're ready to begin.

11 And I would ask that all the staff members who may be

12 testifying today please stand, and I will administer the

13 oath.

14 [Staff sworn.]

15 CHAIRMAN DIXON: Director Lyles, you may begin,

16 sir. And thank you from this entire Commission for the

17 excellent work done by you and your staff.

18 MR. LYLES: Thank you, Mr. Chairman, and good

19 morning, Mr. Chairman and members of the Commission. Before

20 we turn to the Commission review and analysis staff to begin

21 a discussion of the closure and realignment recommendations,

22 I would like to take just a moment or two to make two points

1 to set the stage for the Commission's discussions over the
2 next several days.
3 The first point involves the financial and
4 budgetary context of the Commission's deliberations. As you
5 can see from the first chart on the screen there, back on
6 March 1st, the Defense Department estimated that the base
7 closure and realignment recommendations they were forwarding
8 to the Commission had one-time, up-front costs of $3.74
9 billion, with annual savings of 1.77 billion once they were
10 implemented, and a 20-year savings of $21 billion.
11 Two things have happened since March 1st that have
12 changed or could change these cost and savings estimates.
13 The first is that the military services, principally the Army
14 and the Air Force, have gone out and done detailed site
15 surveys of the installations on their closure lists. As a
16 result of these site surveys, the services have revised the
17 one-time cost and annual savings projections on a number of
18 their recommendations.
19 The second line on this chart shows the cumulative
20 results of these revisions. Using the Defense Department's
21 own figures, the one-time cost to implement their March 1st
22 recommendations have now gone up by $337 million, or 9

1 percent. Their annual savings have gone down by $146
2 million, or 8.3 percent. And the 20-year savings have gone
3 down by $1.9 billion, a little over 9 percent.
4 The second thing that has happened, Mr. Chairman,
5 is that the Secretary of Defense and the Secretary of the
6 Army have written, asking the Commission to remove several
7 installations from the March 1st list. These installations
8 are listed on the second chart and include Kirtland Air Force
9 Base in the Air Force, Dugway Proving Ground, and two smaller
10 installations in the Army.
11 If the Commission agrees with the Department's
12 recommendation to remove these installations from the list,
13 the financial result is shown on this slide. The one-time up
14 front cost to implement the closures and realignments
15 declined by 225 million, or 6 percent, from the March 1st
16 figure. The annual savings declined by 199 million, or 11
17 percent. And the 20-year savings declined by 2.1 billion, or
18 10 percent.
19 So, Mr. Chairman, the message here is that if the
20 Commission were just to accept the Defense Department's
21 recommendations as they stand now, using the Defense
22 Department's numbers, the annual savings would be 11 percent

1 lower, and the 20-year savings would be 10 percent lower than
2 the Defense Department estimated when they sent the list to
3 the Commission on March the 1st.
4 The second area I would like to highlight briefly,
5 Mr. Chairman, is the Commission's approach to economic impact
6 and cumulative economic impact in our analysis of the Defense
7 Department recommendations over the past four months.
8 Economic impact is one of the eight selection criteria
9 considered by the Defense Department when they drew up their
10 closure recommendations.
11 In the presentations by the Commission's staff over
12 the next several days, you will see estimates for economic
13 impact and for cumulative economic impact for each
14 installation on the Secretary of Defense's list of
15 recommendations, as well as on the Commission's list of bases
16 added for consideration.
17 The economic impact of a proposed closure or
18 realignment of an installation is defined as "The direct and
19 indirect job loss resulting from a realignment or closure as
20 a percent of the employment base within its economic area."
21 The cumulative economic impact of a closure or
22 realignment is "The direct and indirect job loss as a percent

1 of the employment base resulting from the proposed 1995
2 closure or realignment action, other proposed 1995 closure or
3 realignments across all the services within the same economic
4 area, and prior closure or realignment actions across all the
5 services within the same economic area."
6 Mr. Chairman and commissioners, I think our hearing
7 record demonstrated that the economic impact estimates
8 presented are just estimates and are considered by most
9 technicians to be worst-case estimates, and the actual
10 economic impacts of base closures may or may not reflect this
11 worst case.
12 I would also like to emphasize that the data and
13 the methods used to estimate economic impacts are well-
14 documented and are applied consistently across all the
15 installations in the Commission's review process. We have
16 had two senior economists on our staff helping us in this
17 area, Mr. Dave Henry from the Department of Commerce, and Mr.
18 Bob Wilson from FEMA.
19 Mr. Chairman, with these introductory remarks, I
20 think the staff is ready to proceed with the first category
21 of closure and realignment recommendations. Mr. Ben Borden,
22 our director of review and analysis, is on my right. And on

1 my left is Mr. Jim Owsley, the team chief of the cross-
2 service team, who will begin the discussion and presentation.
3 MR. OWSLEY: Thank you. Good morning, Mr. Chairman
4 and commissioners. It's a pleasure to be here this morning
5 to present our analysis of the Secretary of Defense's
6 recommendations on product centers and laboratories,
7 logistics centers, depots, and air warfare centers.
8 Assisting me on the first portion of my testimony is Dick
9 Helmer; next to him is Les Farrington; and then last in line,
10 Frank Cantwell, all senior analysts for the Commission staff.
11 The cross-services presentation today will address
12 29 installations. The installations are divided into seven
13 categories that you see on the screens before you. Category
14 A is the Air Force product centers and laboratories; Category
15 B is the Air Force depots; Category C is the Army depots;
16 Category D is Navy depots and warfare centers; Categories E
17 through G includes 15 installations that span the Air Force,
18 Navy, and Army.
19 We would now like to get into the first of the
20 product centers. The next chart depicts the seven Air Force
21 product centers and laboratories. They are Hanscomb Air
22 Force Base, Rome Laboratory, Wright-Patterson Air Force Base,

1 Kirtland Air Force Base, and Brooks Air Force Base. The
2 three shaded installations are those that are recommended by
3 the Department of Defense for closure or realignment. We
4 have a map that shows the location of each of these
5 installations.
6 Our next chart begins with the first installation,
7 which is the Rome Laboratory, located at Griffiss Air Force
8 Base in New York. Rome Laboratory is the Air Force center of
9 excellence for command, control, communications, computers,
10 and intelligence, known as C4-I. And it is one of the Air
11 Force's tier I top laboratories.
12 According to the Chairman of the Joint Chiefs of
13 Staff -- and I quote -- "In each of the world wars of this
14 century, new technology debuted that revolutionized the way
15 we fought wars. The revolution occurring today is in C4-I."
16 Chart A-4 -- will you please put the chart back?
17 This chart shows the Secretary of Defense's recommendation
18 and the cost-savings personnel and the economic impact
19 involved.
20 The Secretary's recommendation is to close Rome
21 lab. Chart A-5 shows the DOD proposed relocation of Rome
22 Laboratory's activities and personnel positions to Hanscomb

1 Air Force Base and Fort Monmouth, New Jersey. Under this
2 plan, the lab site, a modelling and fabrication facility,
3 along with personnel, will remain at Griffiss Air Force Base.
4 The next chart shows the issues we have reviewed.
5 The DOD position is that its costs are fair and have a six-
6 year return on investment, while the community's position is
7 that it will take more than 100 years for the return on
8 investment. Our review and analysis show a 13-year return on
9 investment.
10 The second issue involves space. DOD's position is
11 that space is available for the renovation at Hanscomb Air
12 Force Base without constructing new facilities. The
13 community's position is that renovated and new facilities
14 will be needed. The staff, because of a timing problem on
15 the facility to be modified at Hanscomb, found that a new
16 facility or an investment in interim facilities will be
17 required.
18 DOD's position on Rome activity to be moved to Fort
19 Monmouth is that they will increase cross-servicing. The
20 community's position is that it breaks up teams of highly
21 committed individuals without standing C4-I expertise and
22 capabilities who are currently involved in DOD and

1 interservicing projects. We believe that no increase in
2 cross-servicing is likely to occur from this relocation.
3 DOD's position is that some loss in Rome's
4 laboratory missions effectiveness will result, but they will
5 return at a later date. The community's position is that
6 most key personnel will not relocate and that the lab will
7 never be the same.
8 We believe there is a high probability that team
9 expertise would be seriously degraded by the closure and
10 relocation. Many personnel will not move and, as a result,
11 the gaining installations would have to hire new people who
12 will have to be trained.
13 The Air Force, the last issue is one involving re-
14 use. And the Air Force is no longer committed to the
15 community's re-use plan, because the law requires them to
16 look at bases that are open equally each time they start the
17 process. There's a 1993 letter to the then Commission from
18 the Deputy Assistant Secretary of the Air Force for
19 installations stating, "The Air Force has no plans to close
20 or relocate Rome Laboratory within the next five years."
21 The community believes this program promise limits
22 its redevelopment of Griffiss Air Force Base Rome Lab. The

1 staff believes that the re-use plan will be impaired by Rome
2 Lab closure.
3 My last chart on Rome Lab shows the pros and cons
4 which we have discussed previously. And those pros are
5 consolidated infrastructure will be gained at the gaining
6 installation and will eliminate some excess laboratory space.
7 The cons are the one-time costs to do this and the longer-
8 term return on investment and the breakup of a proven lab
9 team.
10 This ends our presentation on Rome Laboratory. Do
11 you have any questions?
12 CHAIRMAN DIXON: Thank you very much, Mr. Owsley.
13 Do any of my colleagues have any questions of Mr.
14 Owsley or of any member of the staff regarding Rome Labs?
15 Commissioner Kling?
16 COMMISSIONER KLING: Mr. Owsley, I noticed the
17 large difference in the annual savings between what the
18 Department of Defense has shown and what the staff does.
19 What accounts for that? What's the largest factor that makes
20 this almost 40 percent difference? And the other question to
21 do with that is, this is a very high technical location.
22 And you've touched on the fact that we would

1 seriously impair or could impair the effectiveness of that.
2 Would you kind of touch on that a little bit, as well, as to
3 what the staff's feelings on that respect are?
4 MR. OWSLEY: Yes. I would like to touch on the
5 latter first and then ask Mr. Helmer, who did the analysis,
6 to cover the cost portion of that. Rome Lab is a highly
7 rated lab by the Air Force and has been in operation for
8 many, many years. They assist many, many agencies of the
9 government other than the Air Force and particularly in the
10 intelligence community.
11 They have interrelated labs that assist each other
12 in projects. They're totally netted together in fiber optics
13 networks, so they have immediate communications, clear
14 communications. I think, as in almost any laboratory in this
15 country that is judged really good, the thing that makes a
16 laboratory or technology center are the people.
17 And in this case, as we went through the laboratory
18 and we stopped and talked to people and we had several visits
19 to Rome Lab, a large number of these people indicated that
20 they were long-term residents of the area. And some were
21 near retirement, not ready to take retirement, but would take
22 early retirement if it meant relocating themselves and their

1 family.

2 So it seems likely that the continuity of a team

3 that has been together for many years will certainly be

4 interrupted. The Air Force concurs with this, but they

5 believe they have a management plan that would put them

6 together with some like type people in some cases at Hanscomb

7 Air Force Base and that in time, the team synergism through

8 new hires and the personnel that do move would come back

9 together as good a team as Rome currently has.

10 I should point out that Rome Laboratory does report

11 to the Hanscomb command, so this is not like taking a

12 laboratory that is totally new to a command, because the

13 commander of Hanscomb is also the commander of Rome. So

14 there is a plus there, if you will, that he and his staff

15 will understand Rome Laboratory. And that mitigates to some

16 degree the concern that we have, but it does not replace the

17 people that I believe would not move.

18 CHAIRMAN DIXON: Mr. Helmer, can you cast any light

19 on the commissioner's question on cost?

20 MR. HELMER: Yes, sir. The basic difference

21 between our --

22 CHAIRMAN DIXON: Talk into your mike, Mr. Helmer.

1 MR. HELMER: I'm sorry. Excuse me.

2 CHAIRMAN DIXON: Thank you very much.

3 MR. HELMER: The basic difference between our
4 estimate and the Air Force's is that we moved less people, as
5 far as the personnel eliminated were concerned. We felt that
6 the Air Force overstated the savings personnel-wise. We also
7 added $8 million for the interim building to locate people or
8 to construct, if you will, a new facility. Those are the
9 basic differences.

10 COMMISSIONER KLING: You're comfortable with those
11 figures?

12 MR. HELMER: Yes, sir, we are.

13 COMMISSIONER KLING: Thank you.

14 CHAIRMAN DIXON: Are there any other questions by
15 my colleagues?

16 COMMISSIONER MONTOYA: Yes, Mr. Chairman.

17 CHAIRMAN DIXON: Commissioner Montoya.

18 COMMISSIONER MONTOYA: I wish to focus on the
19 savings side, because there the percentage change is even
20 larger than on the cost side. Can one of you put your finger
21 on one or two variables as to why there's such a large swing
22 between the community position and ours and the Department's

1 in the savings piece?

2 MR. HELMER: Yes, sir. The main savings in the

3 analysis result from personnel eliminations. And we

4 eliminated less people in the Air Force.

5 COMMISSIONER MONTOYA: And how about the community?

6 Why are the community savings so low?

7 MR. HELMER: Well, the community did a number of

8 things. They included, for example, a higher discount rate.

9 The standard rate we're using is in the area of, I believe,

10 2.75. And theirs is 4.85. They also included things like

11 locality pay. And they also didn't accept the personnel

12 reductions.

13 COMMISSIONER MONTOYA: Did not, you say?

14 MR. HELMER: Did not, yes.

15 COMMISSIONER MONTOYA: Thank you.

16 CHAIRMAN DIXON: Are there any further questions by

17 any of the commissioners?

18 COMMISSIONER COX: Mr. Owsley --

19 CHAIRMAN DIXON: Commissioner Cox.

20 COMMISSIONER COX: I was on the 1993 Commission,

21 and I certainly agree that the '95 Commission is in no way

22 bound by the 1993 Commission. But I do note that there are

1 over 40 directs, redirects, or changes from decisions we did
2 make in 1993.
3 And while I'm not in the position of defending all
4 the of '93 decisions and certainly things have changed since
5 then, I am interested in sort of what the differences are
6 from 1993 in the DOD recommendation. And we obviously
7 decided in 1993 that moving the Rome labs was not cost-
8 effective.
9 Since then, if you might just tell me a little bit
10 -- and it's certainly not a big factor, but a factor in this
11 re-use plan. Because one of the arguments has been, "Gosh,
12 we counted on the Rome labs for the re-use plan. We were
13 entitled to do so, not because the '93 Commission didn't
14 close it, but because the Air Force made a commitment to it."
15 What is the re-use plan? Have there been legitimate
16 reliances on the Air Force commitment?
17 MR. OWSLEY: Yes, commissioner. After the closing
18 of Griffiss Air Force Base where Rome is located and the
19 Commission and the Air Force's position to keep Rome lab in
20 place, the Rome lab people tried to offset the loss of the
21 personnel and the economic effects of losing Griffiss by
22 starting a re-use plan that involved as its hub Rome's

1 technology center to draw in technology companies not too
2 unlike what has happened at the parent, Hanscomb Air Force
3 Base, in that area, as we know, around Boston.
4 The city around there and the State of New York has
5 put in approximately $10 million to date to start a re-use
6 activity. That re-use activity that we have seen
7 presentations on -- and it shows and it uses right in the
8 center of that industrial technology complex is Rome
9 Laboratory.
10 And because of the nature of the work they do,
11 there will be a propensity to draw other like firms, which is
12 what Rome was trying to do, was to develop a technology
13 rather than manufacturing base, because they believed that
14 that would propel them into the future.
15 They did use Rome as a base. They relied on the
16 five years. And if you look at their plan that they
17 presented to us several times, it focused around the
18 probability that Rome might have to be privatized or might
19 have to stand on its own at the end of the five-year period.
20 So it was an important assumption on their part.
21 I will say that as you look at the laboratory
22 structure and what I believe led the Air Force to the

1 recommendation is they have a serious reduction in lab
2 dollars coming in the future.
3 And they had to look for ways to consolidate things
4 to get ready for those reductions that are imminent. So
5 there was a difference in the Air Force's recommendation in
6 '93 versus '95 for those reasons. Thank you.
7 COMMISSIONER COX: Thank you.
8 CHAIRMAN DIXON: Are there any further questions
9 from any commissioner regarding this staff report on Rome?
10 COMMISSIONER DAVIS: Mr. Chairman, just one short
11 one.
12 CHAIRMAN DIXON: Commissioner Davis.
13 COMMISSIONER DAVIS: Recognizing that one of the
14 driving reasons is to do some consolidation among
15 laboratories that DOD put this one forth, or one of the
16 advertised reasons, clearly, I just -- is this an opinion --
17 will we lose synergism by not doing that, or do you think you
18 can sustain the level of good work that Rome performs if they
19 stay right where they are?
20 MR. OWSLEY: I think you will retain the synergism
21 that Rome has with the other services in that better by
22 keeping them where they are. Hanscomb is not a C4-I activity

1 per se. It's an acquisition activity, mainly. They do
2 control Rome Laboratory, but they do not do the same kind of
3 C4-I activities.
4 The cross-services group recommended that the
5 synergy in the C4-I area would be enhanced by moving all of
6 the C4-I activities to Fort Monmouth, New Jersey, where the
7 Army has a large organization doing that. And that would
8 have enhanced getting the Navy, Army, and Air Force together.
9 But that recommendation was not picked up by any one of the
10 services.
11 COMMISSIONER DAVIS: Thank you, Mr. Chairman.
12 CHAIRMAN DIXON: Thank you, Commissioner Davis.
13 Are there any questions of any commissioner of the
14 staff?
15 (No response.)
16 CHAIRMAN DIXON: Is there a motion? Pardon me.
17 Commissioner Steele.
18 COMMISSIONER STEELE: One final thing, really
19 quickly. So the bottom line with that, Mr. Owsley, was
20 though the joint cross-service group recommended it for
21 closure in their proposal to increase cross-servicing, the
22 recommendation that came to us actually does not

1 significantly increase cross-servicing at all; is that
2 correct?
3 MR. OWSLEY: The cross-service group did not
4 recommend it for closure. It recommended its realignment to
5 Fort Monmouth, New Jersey, along with the Navy's SPAWAR and
6 other such C4-I activities. There could have been great
7 synergism occur there, but the services -- each of the
8 services, for the reasons that they analyzed, did not adopt
9 that recommendation. So in the end, the Air Force, in trying
10 to consolidate on their own, recommended the movement of Rome
11 Laboratory to Hanscomb.
12 COMMISSIONER STEELE: Thank you.
13 CHAIRMAN DIXON: Is there any other question by any
14 commissioner of this staff?
15 (No response.)
16 CHAIRMAN DIXON: Is there any motion by any
17 commissioner regarding the recommendation of the Secretary of
18 Defense with reference to Rome Laboratory? Is there a
19 motion?
20 COMMISSIONER ROBLES: Mr. Chairman, before we have
21 a motion, can we --
22 CHAIRMAN DIXON: Commissioner Robles.

1 COMMISSIONER ROBLES: I didn't realize we were
2 going to go right into the vote. That's my fault. But I
3 think there ought to be -- I want to make just a couple of
4 statements, because I think it's applicable to this whole
5 family of things we're going to talk about.
6 CHAIRMAN DIXON: Commissioner Robles.
7 COMMISSIONER ROBLES: I spent most of my adult life
8 in the military and in the Army, and so I'm a simple soldier.
9 So I'm going to come at it from a simple point of view. I'm
10 gravely concerned about this whole category of laboratories
11 and production centers in all the services. And let me tell
12 you why.
13 One of my responsibilities on active duty was to
14 make a lot of these things happen, do realignments, come up
15 with alternatives, work BRAC issues. And it was relatively
16 easy when we're talking about moving force structure type
17 decisions. That is, it was easy to move a tank battalion or
18 move a brigade or move a tactical fighter wing. We know how
19 to do this, the military. They know how to do it. They have
20 done it for all of my tenure in the military. And it's
21 pretty straightforward.
22 What concerns me greatly is that as we start the

1 defense downsizing, the focus now is on infrastructure.
2 We're going to do the force structure reduction. That's
3 going to happen automatically. And, as you look at the track
4 record since '89, we have done that very well. We have taken
5 over a third of the military's capability -- war fighting
6 capability out very quickly.
7 But when we start to dabble in infrastructure and
8 start to make adjustments in infrastructure, we don't have
9 quite as good a template to do that. And I worry a lot when
10 we start to move labs around. I worry a lot when we start to
11 move very highly sophisticated test centers. I worry a lot
12 when we move basic production facilities in which there is no
13 analogue in the civilian sector.
14 The military has always been a leader in these
15 laboratory facilities. And a lot of the work that happens in
16 the military labs spins off to the civilian sector. At the
17 same time, we're cutting back on FFRDCs, federally funded
18 research and development center grants, to universities and
19 other places.
20 So I just have to say that as we get ready to vote
21 on this whole family of laboratories and on this whole family
22 of infrastructure and production facilities and things in

1 which there are really no good analogues in the civilian
2 sector -- there are many in some sectors, but there's a lot
3 of them in which there's a void out there -- that we don't
4 put that in the same bucket as moving a tank battalion or a
5 tactical fighter wing or a force structure action that's
6 relatively simple by military standards and we think twice.
7 And so I just have to say that this is sort of --
8 if you don't want to call it my protest, statement that I
9 just am very nervous about starting to break apart labs that
10 have taken years to construct to build the teamwork to do the
11 certifications to get the right teams in place and say,
12 "Yeah, we can do that."
13 And you use the same analogue like, well, take
14 those 58 tanks and move them from Fort A to Fort B." So
15 that's my soapbox for the day, but I think it's something we
16 ought to think about as we start to vote in some of these
17 critical decisions.
18 CHAIRMAN DIXON: Thank you very much, Commissioner
19 Robles.
20 Are there any other questions or statements?
21 (No response.)
22 CHAIRMAN DIXON: Is there a motion?

1 COMMISSIONER COX: Mr. Chairman.

2 CHAIRMAN DIXON: Commissioner Cox.

3 M O T I O N

4 COMMISSIONER COX: Having been moved by
5 Commissioner Robles' very fine remarks, I move that the
6 Commission find that the Secretary of Defense deviated
7 substantially from final criteria 1, 4, and 5 and, therefore,
8 the Commission reject the Secretary's recommendation on Rome
9 Laboratory and instead adopt the following recommendation:
10 Retain Rome Laboratory, Rome, New York, including all
11 activities and facilities. The Commission finds that this
12 recommendation is consistent with the force structure plan
13 and final criteria.

14 CHAIRMAN DIXON: Is there a second to the motion by
15 Commissioner Cox?

16 COMMISSIONER STEELE: I second the motion.

17 CHAIRMAN DIXON: It is seconded by Commissioner
18 Steele. Are there any comments or remarks concerning this
19 motion by Commissioner Cox?

20 (No response.)

21 CHAIRMAN DIXON: If not, counsel will call the roll
22 on the motion by Commissioner Cox, seconded by Commissioner

1 Steele.

2 MS. CREEDON: Commissioner Cox?

3 COMMISSIONER COX: Aye.

4 MS. CREEDON: Commissioner Davis?

5 COMMISSIONER DAVIS: Aye.

6 MS. CREEDON: Commissioner Kling?

7 COMMISSIONER KLING: Aye.

8 MS. CREEDON: Commissioner Montoya?

9 COMMISSIONER MONTOYA: Aye.

10 MS. CREEDON: Commissioner Robles?

11 COMMISSIONER ROBLES: Aye.

12 MS. CREEDON: Commissioner Steele?

13 COMMISSIONER STEELE: Aye.

14 MS. CREEDON: Commissioner Cornella?

15 COMMISSIONER CORNELLA: Aye.

16 MS. CREEDON: Mr. Chairman?

17 CHAIRMAN DIXON: Aye.

18 MS. CREEDON: Mr. Chairman, the votes are eight

19 ayes and zero nays.

20 CHAIRMAN DIXON: The vote on the first motion is

21 eight ayes and no nays. And the recommendation of the

22 Secretary of Defense is unanimously rejected.

1 MR. OWSLEY: The next center that we're going to
2 cover --
3 CHAIRMAN DIXON: Pardon me. Ladies and gentlemen,
4 it will be a long few days. And we understand that some will
5 leave when their results have been obtained, and we respect
6 that. Please do it in an orderly way. We have got a lot of
7 work to do.
8 Commissioner Owsley? I mean -- pardon me. Mr.
9 Owsley.
10 (Laughter.)
11 MR. OWSLEY: I will take promotions any time I can
12 get them.
13 CHAIRMAN DIXON: Don't ever take this job, Jim.
14 I'm telling you. Mr. Owsley.
15 MR. OWSLEY: Thank you. The next laboratory area
16 that we'll cover is Kirtland, which will be covered by Mr.
17 Frank Cantwell.
18 MR. CANTWELL: Good morning, Mr. Chairman,
19 commissioners. March 1st, the Department of Defense
20 recommended the realignment of Kirtland Air Force Base. The
21 Department's recommendation would relocate most of the units
22 currently located on Kirtland, leaving the Phillips

1 Laboratory in a contoned area.

2 Of special note, Kirtland is also the home of the

3 Department of Energy's Sandia National Laboratory. The slide

4 on the left -- and could you please put the base analysis

5 slide on the right. The slide on the left is an excerpt from

6 a memorandum sent from Secretary Perry to Chairman Dixon.

7 I would like to summarize the paragraph on the left

8 by saying that after the Secretary reviewed the results of

9 the site survey, he felt that this recommendation was no

10 longer fiscally or operationally sound. The fiscal concerns

11 are shown on the base analysis slide on the right.

12 CHAIRMAN DIXON: May I interrupt you, Mr. Cantwell?

13 MR. CANTWELL: Yes, sir.

14 CHAIRMAN DIXON: I doubt that there's any question

15 in the mind of any commissioner regarding Kirtland. If the

16 Chair is wrong, would any commissioner who thinks otherwise

17 speak up? But my only thought was, it's going to be a long

18 time, and this one is not in any -- is there any debate about

19 it? Is there any commissioner that needs to hear more?

20 (No response.)

21 CHAIRMAN DIXON: Is there a motion on Kirtland Air

22 Base?

1 COMMISSIONER DAVIS: Mr. Chairman, I have a motion.
2 CHAIRMAN DIXON: Commissioner Davis.
3 M O T I O N
4 COMMISSIONER DAVIS: Sir, I move the Commission
5 find the Secretary of Defense deviated substantially from
6 final criteria 4 and 5 in the force structure plan.
7 CHAIRMAN DIXON: Is there a second to the motion by
8 Commissioner Davis?
9 COMMISSIONER MONTOYA: Second.
10 COMMISSIONER DAVIS: Sir, I'm going to have to put
11 an add-in here.
12 CHAIRMAN DIXON: Pardon me, commissioner. I
13 apologize.
14 COMMISSIONER DAVIS: The Washington weather has got
15 me on a postnasal drip, and so I had to slow down, sir.
16 CHAIRMAN DIXON: Excuse me.
17 COMMISSIONER DAVIS: The Commission reject the
18 Secretary's recommendation on Kirtland Air Force Base, New
19 Mexico, and instead adopt the following recommendation:
20 Retain Kirtland Air Force Base, including all units, base
21 activities, and facilities. The Commission finds this
22 recommendation is consistent with the force structure plan

1 and final criteria. Thank you, sir.

2 CHAIRMAN DIXON: Thank you, Commissioner Davis.

3 And my apologies.

4 Is there a second?

5 COMMISSIONER MONTOYA: Second, Mr. Chairman.

6 CHAIRMAN DIXON: Commissioner Montoya seconds the

7 motion of Commissioner Davis.

8 Are there any comments regarding the motion?

9 (No response.)

10 CHAIRMAN DIXON: Counsel, will you call the roll?

11 MS. CREEDON: Commissioner Davis?

12 COMMISSIONER DAVIS: Aye.

13 MS. CREEDON: Commissioner Montoya?

14 COMMISSIONER MONTOYA: Aye.

15 MS. CREEDON: Commissioner Kling?

16 COMMISSIONER KLING: Aye.

17 MS. CREEDON: Commissioner Robles?

18 COMMISSIONER ROBLES: Aye.

19 MS. CREEDON: Commissioner Steele?

20 COMMISSIONER STEELE: Aye.

21 MS. CREEDON: Commissioner Cornella?

22 COMMISSIONER CORNELLA; Aye.

1 MS. CREEDON: Commissioner Cox?

2 COMMISSIONER COX: Aye.

3 MS. CREEDON: Mr. Chairman?

4 CHAIRMAN DIXON: Aye.

5 MS. CREEDON: Mr. Chairman, the votes are eight

6 ayes and zero nays.

7 CHAIRMAN DIXON: And the motion is unanimously

8 adopted. And the original recommendations of the Secretary

9 of Defense which have been, of course, amended by subsequent

10 correspondence to the Commission, is set aside and overruled.

11 So for the folks in the audience, anyone watching

12 that did not understand what has taken place, with respect to

13 Rome Laboratory and Kirtland Air Force Base, the votes of the

14 Commission have held that those two bases remain open.

15 MR. OWSLEY: The next category that we'll cover is

16 Brooks Air Force Base, San Antonio, Texas. The chart on the

17 left indicates the Air Force's position relative to Brooks.

18 There are a lot of words, but essentially, the recommendation

19 is to close Brooks and move the major portions of it to

20 Wright-Patterson Air Force Base in Ohio.

21 Among its activities, Brooks Air Force Base

22 conducts approximately 40 percent of the human systems and

1 aerospace related medical research and product development
2 within the Department of Defense. Brooks's primary
3 components are the human systems center Armstrong laboratory,
4 the Air Force School of Aerospace Medicine, and the Air Force
5 Center for Environmental Excellence.
6 Will you put up the next two charts? The Air Force
7 plans to consolidate similar activities and has recommended
8 the closure of Brooks and the movement of the mission and
9 personnel to Wright-Patterson Air Force Base in Ohio.
10 Wright-Patterson conducts about 20 percent of DOD's aerospace
11 medical research.
12 The overriding issues in this recommendation are
13 the closure costs, the disruption of the mission, and the
14 condition of facilities. Implementation of the
15 recommendation would require an up-front cost of over $200
16 million and has the potential to interrupt many critical
17 research projects.
18 More than half of the professional staff at Brooks
19 have said they probably will not move. This figure is based
20 on a petition that was circulated at the center which was
21 given to us on our visit. Some of the activity at Wright-
22 Patterson is similar to that of Brooks. However, the

1 existing excess space at Wright-Patterson intended for Brooks
2 is not currently suitable to accept the Brooks activities.
3 This is borne out by the fact that the Air Force
4 projects it would have to construct or renovate nearly 1
5 million square feet to be able to take on the Brooks mission.
6 Brooks currently operates in very nice and well-maintained
7 facilities in a campus-like environment in San Antonio.
8 The San Antonio community would most prefer that
9 Brooks remain open as it is. They, however, have offered a
10 sound proposal that would preserve the Brooks mission and its
11 linkage to the San Antonio biomedical community by placing
12 into cantonment most of the Brooks facilities.
13 Cantonment saves the 200 million up-front costs of the
14 Air Force's recommendation, and it offers additional annual
15 savings of nearly $18 million and net present value savings
16 of 248 million by having the Brooks base operating services
17 taken over by nearby Lackland reorganization Kelly Air Force
18 Base. The cantonment plan would also make part of Brooks
19 available for re-use.
20 The map on the left indicates the spaces that are
21 intended for Brooks at Wright-Patterson. They are not
22 contiguous while they are at Brooks. And this is a concern

1 that has been expressed by the community. The map on the
2 right reflects the Brooks proposed cantonment. You can see
3 the continuous nature of the buildings in the shaded area on
4 the map.
5 I might add that the Air Force has informed the
6 Commission officially that if the Commission were to decide
7 to reject the Department's recommendation on Brooks, the Air
8 Force would prefer to retain Brooks open as is rather than to
9 place Brooks into cantonment. The Air Force believes that
10 cantonment is unworkable in the long term.
11 Our last chart summarizes the pros and cons that
12 you have heard previously. Are there any further questions
13 on Brooks?
14 CHAIRMAN DIXON: Are there any questions by any
15 commissioner of Mr. Owsley or others on the staff concerning
16 Brooks Air Force Base, San Antonio?
17 Commissioner Kling?
18 COMMISSIONER KLING: Mr. Owsley, my question goes
19 to when you look at this presentation about the cantonment
20 from the community, it looks like you still receive quite a
21 bit of savings, with a smaller up-front cost and so forth.
22 What is the Air Force's reasoning that it feels that they

1 cannot live with the contonement proposal?

2 MR. OWSLEY: It is unclear that -- as you know, the

3 COBRAs are comparative tools. And in the case when you go

4 into a contonement, you don't really have a comparative thing

5 that you're trying to do. So those estimates would probably

6 have to be refined by the Air Force and the people there.

7 There is a feeling that there will not be that large of a

8 savings if you really get into the final analysis that the

9 Air Force would have to do.

10 It would also require services to be provided from

11 approximately 10 to 20 miles away, depending on whether you

12 use San Antonio -- I mean, Kelly or you use Lackland Air

13 Force Base to furnish those services. The Air Force has

14 previous experience they had in other areas, and they just do

15 not believe this is a satisfactory way to preserve the

16 lifestyle that encourages good working by their people.

17 So they really believe that they would rather have

18 the base remain open if you are not going to accept their

19 recommendation. And, by the way, we believe that as a staff,

20 after looking where the service would have to come from and

21 things like that, that the Air Force is correct in that.

22 COMMISSIONER KLING; I'm glad to hear that. I

1 happened to visit Brooks myself, and I feel this is a very
2 special place that does awful fine work in something that we
3 have to look at very closely. And I feel the same way that
4 Commissioner Robles felt about Rome, that this is something
5 you hate to break up and you hate to separate down.
6 And the facilities, by the way, are pretty fine
7 there, about as fine as I've seen anyplace. Anyway, thank
8 you.
9 CHAIRMAN DIXON: Thank you very much, Commissioner
10 Kling.
11 Are there any further -- pardon me, Mr. Owsley. Do
12 you have a response?
13 MR. OWSLEY: I think I should say that the one
14 thing that didn't come out here in these pros and cons is the
15 man-machine interface, which is essentially the cockpit with
16 the pilot and that the Air Force believes would be better
17 handled with the relocation to Wright-Patterson. And the
18 staff certainly agrees with that part of the Air Force
19 analysis, because Wright-Patterson really does control the
20 cockpit and those kinds of things.
21 I would also point out that this is only 20 some
22 odd people or so from the Brooks operation, and the Air Force

1 might want to consider moving those people if this
2 recommendation does not go through.
3 CHAIRMAN DIXON: They can do that without BRAC, of
4 course.
5 MR. OWSLEY: Yes.
6 CHAIRMAN DIXON: Mr. Farrington, do you have a
7 comment?
8 MR. FARRINGTON: Yes, sir. I might just add, on
9 the number of people, I have a breakdown on the number of
10 people in this man-machine interface, which is the crew
11 technology kind of work that's done at Wright-Pat and also at
12 Brooks, 35 civilians, 59 military, and 44 contractors, for a
13 total of 94 people. That's the breakdown of that man-
14 machine.
15 CHAIRMAN DIXON: Thank you.
16 Are there any further questions?
17 COMMISSIONER STEELE: Yes, Mr. Chairman.
18 CHAIRMAN DIXON: Commissioner Steele.
19 COMMISSIONER STEELE: I just want to say I agree
20 with Commissioner Robles' soapbox on this subject, so I won't
21 repeat it. But just to add on this subject, it's not only
22 the relationship -- I mean, the scientists at Brooks. It's a

1 relationship with other entities in the community,
2 universities and with NASA, which I think is also very
3 important.
4 And we have received numerous letters from all of
5 those entities supporting retaining Brooks at its current
6 location. So I just wanted to make that comment.
7 CHAIRMAN DIXON: Thank you, Commissioner Steele.
8 Are there any further comments or questions of
9 staff?
10 COMMISSIONER DAVIS: Yes, sir.
11 CHAIRMAN DIXON: Commissioner Davis.
12 COMMISSIONER DAVIS: I would like to speak to the
13 man-machine interface. Having been a beneficiary of some of
14 the -- as an aviator, having been a beneficiary of some of
15 the Brooks products over the years, one of the things that is
16 nice about Brooks' current location is the fact that they
17 have a fairly significant laboratory and that you have a
18 considerable amount of young pilots at Randolph Air Force
19 Base you can draw from and some of us older pilots that you
20 can draw from Kelly Air Force Base.
21 And I again would like to join General Robles on
22 his soapbox about tinkering with a superb lab. I do agree

1 with the staff that we had a DOD-mandated relationship in San
2 Antonio called SARPMA, which was the San Antonio Real
3 Property Maintenance Agency, which caused all that to be done
4 by one agency and was finally disbanded because it actually
5 added cost to the process.
6 COMMISSIONER DAVIS: Thank you, Mr. Chairman.
7 CHAIRMAN DIXON: Thank you, Commissioner Davis.
8 Are there any further comments?
9 COMMISSIONER ROBLES: Mr. Chairman?
10 CHAIRMAN DIXON: Commissioner Robles?
11 COMMISSIONER ROBLES: I think -- and I need to say
12 this on the record, because we're very -- and this gets
13 mostly to Mr. Lyles' concern about savings. I think in this
14 case, we have a two-edged issue. Issue one is, it's the
15 wrong thing to do to break up this world class lab and move
16 it somewhere else.
17 But I think pragmatically, from my on-the-ground
18 look at Brooks, you're talking about a lot of facilities, a
19 lot of buildings, a lot of chambers, a lot of test facilities
20 that require special engineering, special piping, special
21 certification, special environmental concerns. And although
22 I won't say I don't believe the numbers, I will tell you that

1 a number of COBRAs are ordinal measures, not cardinal
2 measures.
3 And the fact of the matter, I think, is that you
4 will incur an enormous cost to reconstruct all those very
5 specialized and sensitive facilities at other places. So not
6 only doesn't it make sense from a synergistic point of view,
7 it doesn't make sense from an economic point of view.
8 CHAIRMAN DIXON: Thank you, Commissioner Robles.
9 Are there any further questions or comments?
10 COMMISSIONER MONTOYA: I have a comment, Mr.
11 Chairman.
12 CHAIRMAN DIXON: Commissioner Montoya.
13 COMMISSIONER MONTOYA: I wish to register a dissent
14 from the Air Force view that one has to have separate
15 logistics support facilities at every base, regardless of
16 their distance apart. I happen to have lived under a
17 different model.
18 And I believe as budgets get tougher, as dollars
19 get more difficult to come by, particularly in the logistics
20 end of things, that the Air Force would be well-served or DOD
21 would be well-served to consider themselves a holding company
22 and provide common support to the activities in the San

1 Antonio area. Because I think there are savings that can be
2 achieved there. And so I just want to register that I don't
3 accept the position that every place has to have its own
4 logistics tail. Thank you.
5 CHAIRMAN DIXON: Thank you, Commissioner Montoya.
6 Are there any further questions or comments?
7 (No response.)
8 CHAIRMAN DIXON: Is there a motion?
9 COMMISSIONER DAVIS: Mr. Chairman, I have a motion.
10 CHAIRMAN DIXON: Commissioner Davis.
11 M O T I O N
12 COMMISSIONER DAVIS: Sir, I move the Commission
13 find the Secretary of Defense deviated substantially from
14 final criteria 1, 4, and 5 and, therefore, the Commission
15 reject the Secretary's recommendation on Brooks Air Force
16 Base and instead adopt the following recommendation: Retain
17 Brooks Air Force Base, including all activities and
18 facilities. The Commission finds this recommendation is
19 consistent with the force structure plan and final criteria.
20 CHAIRMAN DIXON: Is there a second to the motion by
21 Commissioner Davis?
22 COMMISSIONER STEELE: I second the motion.

1 CHAIRMAN DIXON: It is seconded by Commissioner
2 Steele.
3 Is there any further comment?
4 (No response.)
5 CHAIRMAN DIXON: The counsel will call the roll.
6 MS. CREEDON: Commissioner Davis?
7 COMMISSIONER DAVIS: Aye.
8 MS. CREEDON: Commissioner Kling?
9 COMMISSIONER KLING: Aye.
10 MS. CREEDON: Commissioner Montoya?
11 COMMISSIONER MONTOYA: Aye.
12 MS. CREEDON: Commissioner Robles?
13 COMMISSIONER ROBLES: Aye.
14 MS. CREEDON: Commissioner Steele?
15 COMMISSIONER STEELE: aye.
16 MS. CREEDON: Commissioner Cornella?
17 COMMISSIONER CORNELLA: Aye.
18 MS. CREEDON: Commissioner Cox?
19 COMMISSIONER COX: Aye.
20 MS. CREEDON: Mr. Chairman?
21 CHAIRMAN DIXON: Aye.
22 MS. CREEDON: Mr. Chairman, the vote is eight ayes

1 and zero nays.

2 CHAIRMAN DIXON: And the motion is adopted. And

3 the public in the room and observing this proceeding is

4 advised that Brooks Air Force Base San Antonio Air Force Lab

5 remains open by the vote of this Commission.

6 Director Lyles, is your staff prepared to go to Air

7 Force depots?

8 MR. LYLES: Yes, sir, we are, Mr. Chairman.

9 MR. OWSLEY: I would like to introduce the new

10 member who has arrived, Ms. Ann Reese, who is the deputy team

11 leader for the cross-service group.

12 The next category, as the Commission noted, is the

13 Air Force depots. The slide depicts the entire universe of

14 the maintenance facilities within the Department of Defense

15 and is being displayed so that you can have a visual image of

16 the numbers and locations of DOD's depots.

17 My second slide displays a history of the base

18 closure process in the depot maintenance area. I have only

19 listed those organizations that are considered depots. For

20 example, Newark Air Force Base is not listed because it is

21 considered a specialized support center. The depots that

22 have not been closed are listed first in blue.

1 Those that have been proposed by the Department of
2 Defense for closure during this cycle are listed in green.
3 Those that have been closed or proposed for closure -- excuse
4 me. Those that have been closed are listed in red.
5 The Army has either closed or proposed for closure
6 six of its original nine depots. The Navy has closed or
7 proposed for closure 10 of its 18 maintenance depot
8 facilities. The Air Force and Marine Corps have not closed
9 maintenance facilities.
10 We will now move to the Air Force depots, where Ms.
11 Reese will pick up the presentation.
12 MS. REESE: Good morning. This slide depicts DOD-
13 wide depot maintenance capacity, core workload in FY '99.
14 Maximum potential capacity is defined as "The optimum depot
15 configuration and employment levels with no significant
16 capital improvements and no military construction
17 expenditures."
18 It's also important to point out that maximum
19 potential capacity is one 40-hour shift capacity. The
20 services reported capacity on a commodity-by-commodity basis
21 and anticipate fiscal year '99 capacity of 165 million hours.
22 "Core" is defined as "That workload that the services have

1 determined must stay in-house to ensure the ability to
2 mobilize." FY '99 core is 78 million hours.
3 A guiding principle through the DOD BRAC process
4 was that DOD depot structures must be sized to core. The
5 depot infrastructure should be sized appropriately to be able
6 to do core work in-house, and other work may be done by the
7 private sector. Workload is anticipated to be 94 million
8 hours in FY '99.
9 The next slide, or the one on the right, is Air
10 Force-wide depot figures. To ensure that the capacity
11 numbers were solid, the depots reported the workload that
12 they had actually performed on a commodity-by-commodity basis
13 during their high water mark year in the late 1980s, plus the
14 capacity they have built minus the capacity that has been
15 demolished. In fact, it reports the capability that they had
16 in the high water mark years, the workload that they were
17 able to perform.
18 The total FY '99 Air Force depot capacity is 57
19 million direct labor hours. The total FY '99 Air Force depot
20 core workload is 27 million direct labor hours. The Air
21 Force anticipates 29 million hours of workload in FY '99.
22 All the numbers were reported by the Air Force as certified

1 data to the joint cross-service group. In FY '99, 47 percent
2 of the capacity will be utilized with core hours and 51
3 percent with workload.
4 The chart on the left displays the same data for
5 each of the Air Force depots. And it's intended to give you
6 a sense of the capacity utilization at each of the Air Force
7 depots. Robins has the highest capacity utilization, 68
8 percent; Kelly is 29 percent utilized on a single 40-hour
9 work week.
10 This slide summarizes the missions on each of the
11 Air Force ALC installations. In all cases, the air logistics
12 center is the major tenant or the main tenant on the base.
13 The air logistics center is primarily comprised of a depot
14 maintenance and material management function. The chart
15 lists across the top the products managed by the air
16 logistics center.
17 The next row displays the specialty of that depot.
18 A number of years ago, the Air Force adopted a technical
19 repair concept in which commodities were single-sided.
20 You'll often hear reference to "centers of excellence," and
21 that's what this reference is.
22 The third row displays the force structure as of

1997. Please note that the National Guard units listed at McClellan are dependent on your decision to move them from Moffett Field through the BRAC '95 process. The bottom row summarizes the Air Force's operational concerns and mission impact with the installation full closure.

This chart shows the tiers that the Air Force determined for both installations and depots. The tier was determined by uniformed leaders and senior civilians on the Air Force Base Closure Executive Group. Their tier serves as proxy for military value. You'll note that I've ordered the columns according to the BCEG vote to establish the installation tier.

This chart display some data from the DOD Depot Maintenance Council indicators report. This report is prepared for the DOD Depot Maintenance Council and contains performance data on all DOD maintenance activities. The first slide on this chart shows actual '94 maintenance hour cost without the cost of material. You can see there the costs range from a low of $53.53 at Robins to a high of $62.15.

COMMISSIONER STEELE: Excuse me, Mrs. Reese, one second. I have a question, Mr. Chairman. Would you like us

1 to hold our questions on charts until the end of the
2 briefing, or ask as we go through? Do you have a preference?
3 CHAIRMAN DIXON: I have no objection to asking a
4 question if it's an appropriate question at this point in
5 time. Go ahead.
6 COMMISSIONER STEELE: Okay. On your first line
7 there about the labor hour cost, when we visited Kelly Air
8 Force Base, they threw numbers before us and said that on
9 certified data, their labor cost was lower than all of the
10 other ALCs. Could you please tell us what your source is and
11 if you know what the differences might be in opinion here?
12 MS. REESE: Yes. The source that I'm using is the
13 DOD depot maintenance indicator report. The report is
14 prepared for the Deputy Undersecretary of Defense for
15 Logistics. It's prepared for his council. The council is
16 comprised of representatives from each one of the military
17 depots.
18 And the data is agreed to by each one of the
19 military departments. I think it is a thoroughly examined
20 number, and I have confidence in the data that's contained in
21 this report. I'm sorry. I'm not clear on the source of
22 Kelly's data that was presented.

1 COMMISSIONER STEELE: But we did try to find that
2 out, did we not?
3 MS. REESE: We did.
4 COMMISSIONER STEELE: And just lastly on this
5 chart, on aircraft on time, I received some information from
6 the community down there that said that Kelly delivered 1 out
7 of 19 C-5s on time for 5 percent rate, but Tinker's on time
8 deliveries were 3 of 51 KC-135s in the same period, for a 6
9 percent rate.
10 Obviously, the numbers up there show very different
11 numbers. Again, I wonder if we know what the difference is
12 here and which information ought to be the certified
13 information before us.
14 MR. OWSLEY: I think I was given that one to check
15 out. We again used in this data the depot maintenance
16 report, which is forwarded to DOD by Air Force Materiel
17 Command. I called the Air Force Materiel Command on the
18 report, and they said that is a report that we should be
19 using as a group to give correct relative weightings to each
20 of the centers, that there are many ways that centers look at
21 things, and some of them they look at as a community also.
22 But they said in the end, they synthesize this and

1 send it forward. And it is, in fact, the Air Force position
2 in the DOD on deliveries. We could not as we got those
3 numbers ascertain exactly how those lower numbers came about.
4 It was very difficult, because if some of the planes go
5 through, they get additional work packages sent to them. And
6 that affects schedules. And there's a lot of data kept out
7 there.
8 But I would point out again that we were limited in
9 time, and we tried to use the official reports and did go
10 back to that part of the Air Force and ask was this the
11 report that we should be using. And they did confirm that.
12 COMMISSIONER STEELE: Okay. Just to close that out
13 real quickly, the original work package on the C-5 at Kelly
14 increased by 166 percent, I am told. How does that impact on
15 time delivery? And then we can make this real quick and move
16 on.
17 MR. OWSLEY: As you remember, that was brought up
18 to us on our visits to San Antonio. When I contacted AFMC
19 headquarters, they explained that the way the airplanes are
20 given schedules and budgets is by the centers -- whichever
21 center it is that receives an airplane, they're allowed to
22 tear it down within 30 days and get on it and inspect it.

1 And then, they report an anticipated schedule and cost.

2 I asked about added work packages, and they said if

3 there are truly added work packages that increase the scope

4 of the original job, that each ALC is then given schedule

5 relief to that number of days for that package and that they

6 do consider that in what they send forward to DOD in their

7 final report.

8 COMMISSIONER STEELE: Okay. Thank you, Mr. Owsley.

9 CHAIRMAN DIXON: Thank you very much.

10 COMMISSIONER ROBLES: Mr. Chairman, I need to

11 follow up, because I need to understand this more clearly.

12 CHAIRMAN DIXON: Commissioner Robles.

13 COMMISSIONER ROBLES: Mr. Owsley, I need to make

14 sure I understand in my simple mind how this works. The fact

15 of the matter is, are you telling me that those numbers right

16 there take into account the additional work that comes out of

17 an aircraft overhaul once they break it down and realize that

18 what they thought was going to take 10 hours may, in fact,

19 take 20 hours, because there's a lot more damage underneath

20 that? Is that what you're telling me?

21 MR. OWSLEY: No, sir.

22 COMMISSIONER ROBLES: Okay. I didn't think so.

1 Because General Fogleman yesterday, we talked to him, who was
2 the old TRANSCOM commander, he was very clear about that. He
3 says the C-5 fleet has always been our most fragile fleet.
4 And we flew the legs off of that fleet during Desert Storm,
5 as I can attest to from my days over there.
6 And so when you tear down a C-5 and all of a sudden
7 think it's going to take a standard -- because they do
8 standard work-ups -- and we find out that it's going to take
9 twice that standard work-up because there's a lot more
10 delayed Desert Storm damage or delayed erosion in there, that
11 they go ahead and do the work, because it's prudent sense
12 once you tear the aircraft down.
13 And if this takes into account the new work and
14 they have a standard model for these additional enhancements,
15 then I'll think these are apples and apples. Otherwise, I
16 think we're talking about apples and oranges here.
17 MR. OWSLEY: I really want to clarify that,
18 commissioner. What I said is that the aircraft comes in.
19 They're allowed to tear the aircraft down and then make a
20 report back to AFMC headquarters, giving their estimate of
21 how long it would take to repair that airplane and schedule
22 in cost to do so. That is like a little negotiation that

1 occurs.

2 If there's added work, not work that should have

3 been anticipated in a tear-down, that added work package is

4 given. But if, for instance, an ALC underestimates or misses

5 something like you're talking about, the schedules and

6 budgeted price are not adjusted for that. We discussed that

7 also, but they felt over a long period of time since the

8 centers are not obligated for the whole fleet when they make

9 one airplane tear down, that adjustments do occur as they get

10 smarter on the condition of the airplanes coming in.

11 But it certainly does not cover if an airplane, for

12 instance, say -- 30 days isn't an extremely long time on a C-

13 5, as you know. It might be on a fighter plane, but a C-5 is

14 enormous and is old and has a lot more difficult ways of

15 getting into the airplane than a modern airplane has. So

16 they could, indeed, miss a big part of the work package, and

17 that would afterwards make them miss schedules and budgets.

18 COMMISSIONER ROBLES: And my only point was, on an

19 airplane like the C-5A, which went through an enormous

20 workload during Desert Storm, like our tanks in the Army did,

21 you know, your standard convention is out. And it will be

22 years before you figure out how all that worked out. So I

1 just wanted to make sure I understood what you were telling
2 us here.
3 CHAIRMAN DIXON: You may proceed, Mrs. Reese.
4 MS. REESE: Thank you. I want to make one more
5 comment about the cost data, just to be more complete with my
6 answer to Commissioner Steele. The source of this data that
7 I have on the screen is DOD data. I think you've also been
8 presented with data that has been prepared by outside
9 companies, private sector firms. This is all DOD data.
10 Turning to the next slide, the DOD BRAC
11 recommendation to downsize all Air Force depots has two
12 components. Two million square feet of depot space will be
13 moth-balled. This will eliminate the amount of square
14 footage used by the depot but will not eliminate depot
15 infrastructure.
16 Slightly less than 2,000 personnel positions would
17 be eliminated. The personnel number is based on an
18 assumption that engineering of the depot process will result
19 in a 15 percent productivity improvement. This is the first
20 time that downsizing has ever been pursued through the BRAC
21 process. Downsizing will not reduce overhead costs. As a
22 result, costs per hour will increase.

1 The Commission has received a number of revisions
2 to the downsizing recommendation. I am displaying two
3 versions of the BRAC recommendations, the recommendation that
4 was forwarded on the 1st of March, and the recommendation
5 that Secretary of the Air Force testified to last week.
6 The original downsizing recommendation requires
7 $183 million of one-time costs and would result in steady-
8 state savings, annual savings of $89 million, and a net
9 present value of $991 million. Last week, Dr. Widnall used a
10 version which would require $234 million in one-time costs
11 and result in savings of $92 million a year and net present
12 value of $975 million.
13 As we reviewed the military department's COBRA
14 results, we saw significant differences between the results.
15 Examining the assumptions behind the military department's
16 COBRAs, we also saw significant differences. This chart
17 displays the differences in COBRA assumptions that impact
18 annual savings. And it shows the differences between the Air
19 Force's assumptions and the Commission's staff assumption.
20 The Air Force assumes a six-year period to close a
21 depot installation. Based on discussions that we have had
22 with DOD personnel and based on historical experiences of the

1 services that have closed large industrial activities, we
2 believe a three-year time to close is realistic. But to be
3 conservative, we assumed a four-year period. Further, we
4 built in a one-year planning period so, in fact, the time to
5 close that the Commission staff assumed is five years.
6 The Air Force COBRAs assume, we believe, an
7 unrealistically small number of personnel eliminations.
8 Drawing on the experience of the other military services with
9 installation closures and drawing on Jim Owsley's 42 years of
10 experience in the defense industrial business, we realize
11 that personnel eliminations will result from closure and
12 consolidation of workload.
13 We assumed that 15 percent of selected air
14 logistics center personnel would be eliminated to include
15 depot maintenance personnel, materiel management,
16 contracting, and computer support personnel. We believe that
17 this is a very conservative estimate, and we base it in part
18 on the Air Force's downsizing BRAC recommendation, which
19 eliminates 15 percent of direct labor depot personnel.
20 We also assumed a 15 percent elimination of ALC
21 medical facility personnel and management overhead personnel.
22 Of those personnel realigned, we would realign an additional

1 9 percent personnel to provide base operating support at the
2 receiving location, with the exception of Kelly, where we
3 realigned all base operating personnel for Air Force tenants
4 being contoned to Lackland, which is an issue that I'll talk
5 about in a couple of minutes.
6 The Defense Agency assumptions are scenario-based
7 and will also be explained in detail on an upcoming slide.
8 The Commission staff assumption is that eliminations are
9 evenly phased over the last four years, and no personnel are
10 eliminated or realigned until the up-front planning year,
11 1997.
12 COMMISSIONER COX: Ann, on that question, you all
13 on the four-year time to close, which is really five because
14 of the planning year, didn't evenly phase. When the Air
15 Force assumption says six years, was that evenly phased over
16 six years?
17 MS. REESE: No, ma'am. The Air Force assumed that
18 all of the position eliminations would occur in the very las
19 year, in the sixth year.
20 COMMISSIONER COX: So nothing would happen for six
21 years, and then in the sixth year, everything would happen?
22 MS. REESE: All the positions would be eliminated

1 at that point. Yes.

2 COMMISSIONER COX: I see. Thank you.

3 CHAIRMAN DIXON: Thank you, Commissioner Cox.

4 Proceed, Mrs. Reese.

5 COMMISSIONER STEELE: Mrs. Reese, quick question.

6 CHAIRMAN DIXON: Commissioner Steele.

7 COMMISSIONER STEELE: On your 15 percent assumption

8 for elimination of selected ALC personnel, what kind of

9 assumptions do the Navy and Army use? I respect Mr. Owsley's

10 private sector service and experience immensely, but I would

11 like to compare this within the Department, if I could,

12 please.

13 MS. REESE: The Navy and the Army have up-front

14 position eliminations of 20 to 40 percent for industrial

15 activities similar to what --

16 COMMISSIONER STEELE: So you took a pretty

17 conservative route, here?

18 MS. REESE: I believe we did. That's right.

19 COMMISSIONER STEELE: Thanks for clarifying that.

20 CHAIRMAN DIXON: Proceed, Mrs. Reese.

21 MS. REESE: Thank you. The next slide lists the

22 COBRA assumptions that impact one-time cost. We did not

1 think it appropriate to include civilian accrued leave cost
2 as a BRAC cost, because it's the obligation of the government
3 to pay regardless. We also thought it inappropriate to
4 include an additional $30 million to implement each closure,
5 given that the COBRA already includes a factor which
6 calculates this cost.
7 The COBRA factor calculates a 4 to $9 million
8 amount for conversion agency cost, depending on the size of
9 the depot closure. No other service, and with only one
10 exception within the Air Force, is there an additional amount
11 on top of the COBRA factor included.
12 We also did not believe it reasonable to include
13 the cost to send equipment through the excess system.
14 Historical experience indicates that proceeds equal cost.
15 Equipment buyers come out to the shop floor to buy the
16 equipment and pay the cost to move it.
17 To transition a product line requires the shut-down
18 of one line and the start-up of another production line. If
19 dollars were not an issue, one would probably set up two
20 parallel lines.
21 This is not practical, so typically, companies, as
22 the other services have proposed, do a build ahead an interim

1 contractor support to avoid the high cost of duplicate lines.
2 This is why we used this assumption rather than the Air Force
3 proposition, which embodied both; that is, parallel lines and
4 interim contractor support.
5 We also disallowed the cost to procure new
6 equipment. The Air Force assumed that all equipment would
7 be moved or excessed and repurchased. This assumption does
8 not recognize that there is considerable duplication of
9 equipment, and consolidating work would permit increased
10 utilization of specialized equipment that might otherwise be
11 underutilized.
12 Furthermore, the Air Force has already a schedule
13 of equipment replacements and funds set aside in their
14 budgets to do so. Finally, we used the DLA projections to
15 move inventory. They would bear the costs we have
16 experienced with distribution depot closures.
17 This slide is an illustrative example of the
18 personnel impact of our COBRA assumptions. You can see that
19 a 15 percent personnel elimination in the ALCs and a 50
20 percent personnel assumption in the management overhead
21 results in a significant increase in the number of personnel
22 eliminated at an ALC.

1 Almost 20 percent of the personnel savings accrue
2 from Defense agency actions. The Defense Logistics Agency
3 personnel savings match the Defense Logistics Agency COBRAs
4 that they've run. The resultant savings would be accrued by
5 the Defense Logistics Agency.
6 DLA's assumptions are based on the historical
7 experience that they've had with closing distribution depots.
8 The Defense Commissary personnel will be eliminated with the
9 closure of an installation. The Defense Finance and
10 Accounting Agency personnel will be fully realigned to the
11 receiving location.
12 The Information Agency personnel are the
13 information processing people that you've seen in the Defense
14 mega-centers during your visits to the air logistics centers.
15 We eliminated the personnel from the Information Services
16 Agency due to a letter that we've received from the
17 Department of Defense indicating that, with a closure of an
18 ALC, there would also be the closure of the mega-center.
19 We realigned all Air Force tenants except the Air
20 Force audit personnel who support the Air Logistics Center,
21 and we eliminated those positions. Of the personnel
22 realigned, we also realigned a 9 percent additional personnel

1 to provide base operating services at the receiving location.
2 COMMISSIONER COX: Question for you. You indicated
3 -- and I just want to make sure I understand you -- that our
4 numbers, once we use the 15 percent on the ALCs, I thought
5 you said matched the COBRA numbers. What does that mean?
6 MS. REESE: I'm sorry. Would you repeat that?
7 COMMISSIONER COX: I thought you had said that the
8 numbers, our numbers on -- staff numbers -- on the 15 percent
9 reduction, and how many eliminated that would be, matched the
10 COBRA numbers.
11 MS. REESE: I'm sorry. I perhaps misspoke. The 15
12 percent that we assumed, of selected ALC personnel, was
13 chosen, in part, because the Air Force used that assumption
14 with their downsizing, but there were no position
15 eliminations contained in the closure COBRAs that the Air
16 Force prepared.
17 COMMISSIONER COX: I see.
18 MS. REESE: So we based our 15 percent, in part, on
19 the downsizing proposal, which would eliminate 15 percent of
20 direct labor in the depot category.
21 COMMISSIONER COX: They, themselves, in their own
22 proposal, eliminated 15 percent, not necessarily as a closure

1 but as a downsizing?

2 MS. REESE: Yes, that's right.

3 COMMISSIONER COX: And then the COBRA, their COBRA

4 proposals --

5 MS. REESE: For downsizing?

6 COMMISSIONER COX: No, for closure.

7 MS. REESE: For closure.

8 COMMISSIONER COX: When we asked for closure

9 COBRAs, that's where this 373 elimination comes from?

10 MS. REESE: That's right.

11 COMMISSIONER COX: Versus your projection of 1401?

12 MS. REESE: That's correct.

13 COMMISSIONER COX: Thank you.

14 CHAIRMAN DIXON: Thank you, Commissioner Cox.

15 Proceed, Ms. Reese.

16 MS. REESE: Kelly Air Force Base was treated

17 differently by the Air Force and by ourselves. Kelly Air

18 Force Base is adjacent to Lackland Air Force Base. In fact,

19 some facilities on Kelly Air Force Base support units

20 assigned to Lackland. For example, the runway at Kelly is

21 used by the 76th Munitions Squadron, Wilford Hall, and the

22 Interagency Air Force Academy.

1 Also, there are a number of tenant units on Kelly
2 not associated with the Air Logistics Center, that would be
3 expensive to relocate, which could be easily reassigned to
4 Lackland Air Force Base. The best example of this is the
5 433rd Air Lift Wing. The 433rd is an Air Force Reserve wing
6 that flies the C-5 aircraft.
7 The Air Force Kelly closure scenario would assign
8 all of the Kelly tenants not associated with the Air
9 Logistics Center to Lackland Air Force Base. The Commission
10 staff adopted the Air Force scenario -- close the Air
11 Logistics Center and all units associated with the ALC, but
12 keep the runway open and assign all remaining units to
13 Lackland Air Force Base.
14 COMMISSIONER COX: And I'm sorry. Then the only
15 base where we assume that the tenants would stay, as part of
16 Lackland?
17 MS. REESE: Yes, ma'am, that's correct.
18 CHAIRMAN DIXON: Proceed, Ms. Reese.
19 MS. REESE: This slide summarizes the results of
20 the Air Force closure COBRAs. The one-time costs range from
21 a low of $575 million to a high of $1.3 billion. Steady
22 state savings range from $62 million to $87 million. The

1 number of years for return on investment ranges from seven to
2 28 years.
3 You can see the results of the personnel
4 realignments and eliminations that follow the assumptions
5 that we just highlighted.
6 This chart -- Brian, could you put both up
7 simultaneously? Thank you. The chart on the right shows the
8 results of the COBRAs that the Commission staff prepared. We
9 simply adjusted the Air Force closure COBRAs with the
10 assumptions that I've reviewed with you. You can see that
11 the assumptions very much drive the results of COBRA.
12 The one-time costs to close come down slightly and
13 range from $409 million to $1.1 billion, and the steady state
14 savings improve substantially and range from $153 million to
15 $178 million. The period of time before a return on
16 investment is reduced markedly. The closure of Kelly and
17 McClellan return after one year
18 COMMISSIONER STEELE: Ms. Reese, could you explain
19 that one-year return, when that actually is? That isn't the
20 year after? Just please tell us what that means. How did
21 you get to 2007, say, on Hill?
22 CHAIRMAN DIXON: Do you understand the question,

1 Ms. Reese?

2 MS. REESE: From the information we've displayed

3 here, the return would come -- of course, we have a one-year

4 planning year in our COBRAs that the Air Force did not. But

5 the return would come in 2001, one year after the

6 implementation period.

7 COMMISSIONER STEELE: So it's five years plus, then

8 it's one year, and that's when your return on investment

9 occurs; correct?

10 MS. REESE: That's correct.

11 COMMISSIONER STEELE: Okay. Thank you. And that's

12 the same way that the DOD -- the COBRA numbers we got from

13 the DOD are?

14 MS. REESE: Right.

15 COMMISSIONER COX: The closure year plus whatever

16 the return on investment is?

17 MS. REESE: Right, using the same discount rates

18 and the same assumptions there.

19 COMMISSIONER COX: Right. And I want to talk about

20 discount rates later, but let's go ahead.

21 COMMISSIONER KLING: Ms. Reese?

22 CHAIRMAN DIXON: Commissioner Kling.

1 MS. REESE: Yes, sir?

2 COMMISSIONER KLING: I just want to be sure that

3 we're understanding the same thing. We -- the staff -- went

4 back to the Air Force and asked them to do these runs that

5 we're looking at up here, to give us their cost to close,

6 savings, and so forth.

7 MS. REESE: That's correct.

8 COMMISSIONER KLING: So these figures that you're

9 doing were after we asked the Air Force to run these numbers

10 for us?

11 MS. REESE: The chart on the right displays the

12 COBRAs that the Air Force prepared.

13 COMMISSIONER KLING: Right.

14 MS. REESE: We took --

15 CHAIRMAN DIXON: The chart on the left, Ms. Reese.

16 MS. REESE: I'm sorry. Yes.

17 CHAIRMAN DIXON: The chart on the left.

18 MS. REESE: The chart on the left, that's correct.

19 CHAIRMAN DIXON: We did ask them, that's their

20 figures.

21 MS. REESE: Right, those are their figures. We

22 have a COBRA expert on the staff who took those COBRAs and

1 simply changed assumptions -- took the very same COBRAs and
2 simply made assumptions changes -- and the results are on the
3 right.
4 COMMISSIONER KLING: And you are now in the process
5 of going through what those assumptions were.
6 MS. REESE: Right. I've reviewed those
7 assumptions, that's correct.
8 COMMISSIONER KLING: Okay.
9 COMMISSIONER COX: Let me make sure I understand --
10 because we talked about the assumptions and the personnel and
11 that -- where it is the MILCON costs, for example -- did we
12 make assumptions on that, where they said, "We're going to
13 have to build a C-5 hangar at Tinker" or "We're going to have
14 to build or replace a nuclear reactor at McClellan"? What
15 assumptions did we use? Did we use theirs? Did we second
16 guess those?
17 MS. REESE: We did not change any of the
18 assumptions, any of the MILCON costs built into the Air Force
19 COBRAs.
20 COMMISSIONER COX: So whatever they said they would
21 have to do to move that work, and whatever cost they said
22 that was, we took it?

1 MS. REESE: We took it.

2 COMMISSIONER COX: So, for example, the C-5 hangar,

3 which has been a big issue at Kelly --

4 MS. REESE: Yes. The Air Force assumptions of a

5 $52 million cost to replicate the C-5 hangar at another Air

6 Force Base was both in the Air Force and our COBRA run.

7 COMMISSIONER COX: Okay. And that's true on every

8 MILCON?

9 MS. REESE: That's true on every MILCON.

10 COMMISSIONER COX: Are there assumptions -- let's

11 say the nuclear facility at McClellan -- where they said it

12 would be really expensive to move it and we said, "Oh, we're

13 not going to," or did, every time they say they were going to

14 move something and pay for it, we took that same assumptions?

15 MS. REESE: We took all of the MILCON assumptions.

16 COMMISSIONER COX: Everything?

17 MS. REESE: The only assumptions that we've

18 changed, I've highlighted on a line-by-line basis for you.

19 We've changed no other assumptions than those I've given you

20 a specific list for in the last two slides.

21 COMMISSIONER COX: Since we only changed the

22 savings assumptions, we didn't change the costs?