

**DEFENSE BASE CLOSURE
AND REALIGNMENT
COMMISSION**



INVESTIGATIVE HEARING

GAO & DOD JOINT CROSS SERVICE GROUPS

APRIL 17, 1995

**ROOM 216
HART SENATE OFFICE BUILDING
WASHINGTON, DC**



**FRANK CIRILLO
AIR FORCE TEAM LEADER**

**INFORMATION PACK
GAO & DOD JOINT CROSS SERVICE GROUPS
WASHINGTON, DC
APRIL 17, 1995**



Overview

Hearing Agenda

Fact Sheet

Staff Assignment Sheet

Airport Arrivals/Departures

**GAO & JOINT CROSS SERVICE GROUPS
WASHINGTON, DC
APRIL 17, 1995**

COMMISSIONERS ATTENDING:

Chairman Alan Dixon
Commissioner Alton Cornella
Commissioner Rebecca Cox
Commissioner James Davis
Commissioner Lee Kling
Commissioner Benjamin Montoya
Commissioner Joe Robles
Commissioner Wendi Steele

WITNESSES:

Morning Session-GAO

8:00am to 10:00am

Mr. Henry L. Hinton, Jr.
Mr. David Warren
Mr. Barry W. Holman

Morning Session-Cross Service

Brig. Gen. James E. Shane, Jr.
Mr. Charles Nemfakos
Major General Jay D. Blume, Jr.
Ms. Marge McManamay

10:00am to 12:00pm

Mr. James Klugh

Afternoon Session-Cross Service

1:00pm to 2:00pm

Mr. Louis C. Finch

2:00pm to 3:00pm

Dr. Edward D. Martin

3:00pm to 4:00pm

Mr. Phillip E. Coyle
Mr. John A. Burt
Dr. Craig Dorman

HEARING LOCATION :

Room 216
Hart Senate Office Building
Washington, DC 20510

CONTACT:

Senate Appropriations Committee
Mazie Mattson
Kim Range
202-224-2739

Military Departments and Defense Agencies:

Witnesses:

Brigadier General James E. Shane, Jr., Director of Management, Office of the Chief of Staff of the Army

Mr. Charles Nemfakos, Vice Chairman, Navy Base Structure Evaluation Committee

Major General Jay D. Blume, Jr., Special Assistant to the Chief of Staff of the Air Force for Base Realignment and Transition

Ms. Marge McManamay, Chief, Defense Logistics Agency BRAC Working Group

FACT SHEET
GAO & CROSS SERVICE GROUPS
WASHINGTON, DC
APRIL 17, 1995



LOCATION: Room 216
Hart Senate Office Building
Washington, DC 20510

DIRECTIONS: * Enter Dirksen Building (corner of
Constitution & 1st St.)
* Take the elevator to the second floor
* Turn right out of the elevator and enter
SD212-214 (This is the back
entrance to Hart 216 and the
Commission holding room.)

CAPACITY: 300

LUNCH ROOM: Dirksen Senate Office Building
Room 212
**American Cafe will be delivered

CONTACTS: Senate Appropriations Committee
Mazie Mattson/Kim Range
(202) 224-2739

Capitol Hill Police
Paula Harington
(202) 224-4841

Office of the Superintendent
Special Functions
Tim Maxey
(202) 224-3146

PARKING: None

STENOGRAPHER: Diversified
Ellen Alcott
(202) 296-2929

**STAFF ASSIGNMENT SHEET
GAO & DOD JOINT CROSS SERVICE GROUPS
WASHINGTON, DC**

Signage.....Melissa
Reserved seating (VIP, witness, press, commission staff)

Advance on site
check.....Melissa

Coffee.....Shelley

Lunch
Arrangements/Logistics.....Melissa

Designated on-site supervisor during
lunch.....Shelley/Melissa

Testimony
collection.....Amy/Christy

Copies.....Amy/Christy

Timekeeper.....Paul

VIP Greeter.....CeCe

Final site sweep.....Melissa

General
Runners(s).....Shelley/Christy/Amy

Nameplates, gavel, etc.....Paul

Computer
Equipment.....Jim

Capitol Hill Police
Officer.....Melissa

**AIRPORT ARRIVALS/DEPARTURES
GAO & JOINT CROSS SERVICE GROUPS
WASHINGTON, DC**

ALAN DIXON

Arrival: Sunday, April 16 8:04 pm
Departure: Monday, April 17 4:40 pm (en route St. Louis)

AL CORNELLA

In town
Departure: Tuesday, April 18 3:30 pm (en route Dallas)

REBECCA COX

In town
Departure: Monday, April 17 4:30 pm (en route Orange Co.)

J.B. DAVIS

Arrival: Sunday, April 16 7:30 pm
Departure: Tuesday, April 18 3:30 pm (en route Dallas)

LEE KLING

Arrival: Sunday, April 16 8:31 pm
Departure: Monday, April 17 time unknown (en route New York)

BEN MONTOYA

Arrival: Sunday, April 16 7:06 pm
Departure: Monday, April 17 5:14 pm (en route Albuquerque)

JOE ROBLES

Arrival: Monday, April 17 8:30 am
Departure: Monday, April 17 4:00 pm (en route San Antonio)

WENDI STEELE

Arrival: Sunday, April 16 10:38 pm
Departure: Tuesday, April 18 3:30 pm (en route Dallas)

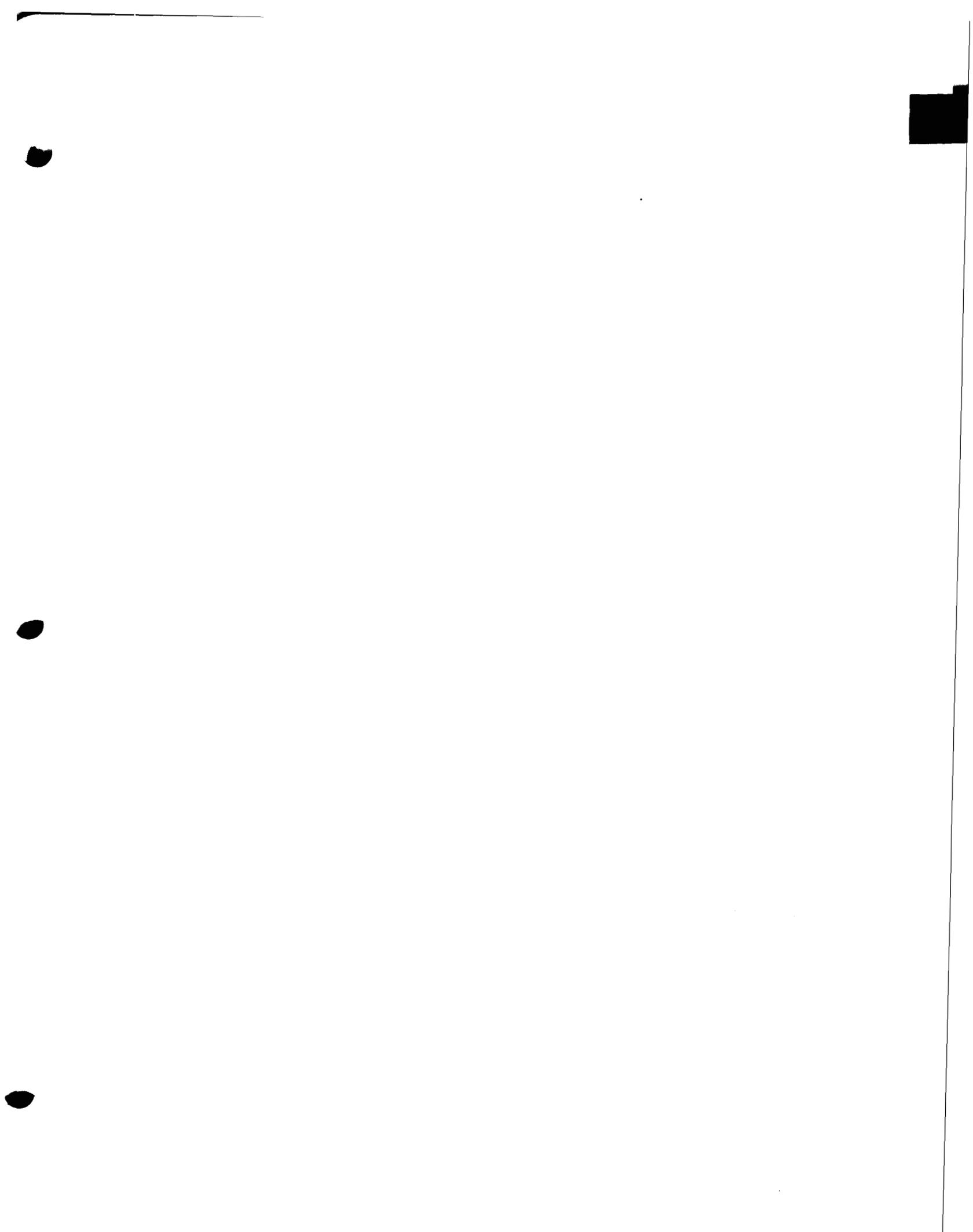
**INVESTIGATIVE HEARING
GAO & DOD JOINT CROSS SERVICE GROUPS**

**APRIL 17, 1995
HART SENATE OFFICE BUILDING, RM 216**

TABLE OF CONTENTS

TAB

1. AGENDA FOR MONDAY, APRIL 17 HEARING.
2. OPENING STATEMENT - CHAIRMAN DIXON.
3. PREPARED TESTIMONY - MR. HENRY L. HINTON, ASSISTANT
COMPTROLLER GENERAL, NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING
OFFICE.
4. COMMISSIONER QUESTIONS: GENERAL ACCOUNTING OFFICE.
5. COMMISSIONER QUESTIONS: DEPOT MAINTENANCE JOINT CROSS
SERVICE GROUP.
6. COMMISSIONER QUESTIONS: UNDERGRADUATE PILOT TRAINING
JOINT CROSS SERVICE GROUP.
7. COMMISSIONER QUESTIONS: MEDICAL JOINT CROSS
SERVICE GROUP.
8. COMMISSIONER QUESTIONS: LABS, TEST AND EVALUATION JOINT
CROSS SERVICE GROUPS.
9. LETTERS OF INVITATION.







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

ALAN J. DIXON, CHAIRMAN

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

OPENING REMARKS OF CHAIRMAN DIXON

GAO & DOD JOINT CROSS SERVICE GROUPS

APRIL 17, 1995

**GOOD MORNING, LADIES AND GENTLEMEN, AND WELCOME TO
TODAY'S HEARING OF THE DEFENSE BASE CLOSURE AND REALIGNMENT
COMMISSION.**

**I AM ALAN J. DIXON, THE COMMISSION CHAIRMAN, AND WITH US
TODAY ARE MY FELLOW COMMISSIONERS AL CORNELLA, REBECCA COX,
GENERAL J.B. DAVIS, S. LEE KLING, ADMIRAL BEN MONTOYA, GENERAL JOE
ROBLES AND WENDI L. STEELE.**

**THIS IS THE NINTH INVESTIGATIVE HEARING THE COMMISSION HAS
HELD IN WASHINGTON SINCE RECEIVING THE RECOMMENDATIONS OF THE
SECRETARY OF DEFENSE ON CLOSURES AND REALIGNMENTS ON FEBRUARY**

IN ADDITION, SINCE MARCH 22, WE HAVE CONDUCTED FIVE REGIONAL HEARINGS AROUND THE COUNTRY AND IN GUAM, AND COMMISSIONERS AND STAFF HAVE MADE MORE THAN 60 VISITS TO INSTALLATIONS ON THE SECRETARY'S LIST. WE HAVE REGIONAL HEARINGS THIS WEEK IN DALLAS AND ALBUQUERQUE, AND THERE ARE 13 BASE VISITS SCHEDULED THIS WEEK, AS WELL. SO WE ARE HARD AT WORK.

WE HAVE A FULL SCHEDULE TODAY, SO LET ME TELL YOU HOW WE WILL PROCEED. OUR FIRST PANEL, FROM NOW UNTIL 10 A.M., WILL CONSIST OF REPRESENTATIVES OF THE GENERAL ACCOUNTING OFFICE, WHO WILL REPORT TO US ON THEIR ANALYSIS OF THE METHODOLOGY USED BY THE DEPARTMENT OF DEFENSE IN REACHING ITS RECOMMENDATIONS FOR CLOSURES AND REALIGNMENTS.

THEN, FROM 10 A.M. UNTIL 4 P.M., WITH A ONE HOUR LUNCH BREAK AT NOON, WE WILL HEAR TESTIMONY FROM THE FOUR D-O-D JOINT CROSS SERVICE GROUPS THAT PREPARED RECOMMENDATIONS FOR THE MILITARY DEPARTMENTS IN THE AREAS OF DEPOT MAINTENANCE, UNDERGRADUATE PILOT TRAINING, MEDICAL SERVICES AND LABS AND TEST & EVALUATION.

SENIOR OFFICIALS FROM THE ARMY, NAVY, AIR FORCE AND DEFENSE LOGISTICS AGENCY WILL SIT WITH EACH OF THE CROSS SERVICE PANELS TO FURTHER INFORM US AS TO WHY THE DEPARTMENTS DECIDED TO ACCEPT OR REJECT VARIOUS RECOMMENDATIONS OF THE CROSS SERVICE GROUPS.

LET US BEGIN, THEN WITH THE GENERAL ACCOUNTING OFFICE. THE BASE CLOSURE LAW REQUIRES THE G-A-O TO REPORT BY APRIL 15 TO CONGRESS AND THIS COMMISSION REGARDING THE RECOMMENDATIONS AND SELECTION PROCESS USED BY THE DEPARTMENT OF DEFENSE.

WE ARE HONORED TO HAVE WITH US TODAY:

* MR. HENRY L. HINTON, JR., THE ASSISTANT COMPTROLLER GENERAL FOR NATIONAL SECURITY AND INTERNATIONAL AFFAIRS;

* MR. DAVID WARREN, DIRECTOR FOR DEFENSE MANAGEMENT AND NASA ISSUES FOR GAO; AND,

* MR. BARRY W. HOLMAN, THE ASSISTANT DIRECTOR FOR DEFENSE MANAGEMENT AND NASA ISSUES.

MR. HINTON, ON BEHALF OF ALL THE COMMISSIONERS, I WANT TO THANK G-A-O AND YOU PERSONALLY FOR YOUR SUPPORT OF THE COMMISSION'S WORK. THIS SUPPORT IS EVIDENT IN YOUR TESTIMONY THIS MORNING, AS WELL AS IN THE FACT THAT YOU HAVE DETAILED TEN EXCELLENT G-A-O EMPLOYEES TO THE COMMISSION STAFF TO HELP US CARRY OUT OUR REVIEW AND ANALYSIS.

ALL THE COMMISSIONERS HAVE HAD AN OPPORTUNITY TO REVIEW MR. HINTON'S TESTIMONY AND G-A-O'S REPORT. MR. HINTON HAS AGREED TO LIMIT HIS OPENING REMARKS TO 10 MINUTES, AND THEN WE WILL BEGIN QUESTIONS FROM THE COMMISSIONERS.

BUT FIRST, LET ME SAY THAT THE BASE CLOSURE LAW ALSO REQUIRES ALL WITNESSES TESTIFYING BEFORE US TO DO SO UNDER OATH, SO I MUST ASK YOU ALL TO STAND AND RAISE YOUR RIGHT HANDS.

DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOU ARE ABOUT TO GIVE BEFORE THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION SHALL BE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?



GAO

Testimony

Before the Base Closure and Realignment Commission

For Release on Delivery
Expected at
8:00 a.m., EDT
Monday,
April 17, 1995

**MILITARY BASE
CLOSURES**

**Analysis of DOD's Process
and Recommendations for
1995**

Statement of Henry L. Hinton, Jr., Assistant Comptroller
General, National Security and International Affairs Division



Mr. Chairman and Members of the Commission:

We are pleased to be here today to discuss our report entitled Military Bases: Analysis of DOD's 1995 Process and Recommendations for Closure and Realignment (GAO/NSIAD-95-133, Apr. 14, 1995). The Defense Base Closure and Realignment Act of 1990 (P.L. 101-510, as amended) established the current process for DOD base closure and realignment actions within the United States. Our report responds to the act's requirement that GAO provide to the Congress and the Defense Base Closure and Realignment Commission an analysis of the Secretary of Defense's recommendations for bases for closure and realignment and the selection process used.

On February 28, 1995, the Secretary of Defense recommended closures, realignments, and other actions affecting 146 domestic military installations. Of that number, 33 were described as closures of major installations, and 26 as major realignments; an additional 27 were changes to prior base closing round decisions. The Secretary projects that the recommendations, when fully implemented, will yield \$1.8 billion in annual recurring savings.

RESULTS IN BRIEF

Although the Department of Defense (DOD) has in recent years undergone substantial downsizing in funding, personnel, and force

structure, commensurate infrastructure reductions have not been achieved. Despite some progress in reducing excess infrastructure, it is generally recognized that much excess capacity likely will remain after the 1995 BRAC round. This view is supported by the military components' and cross-service groups' analyses, which showed far greater excess capacity than will be eliminated by the Secretary's recommendations.

Currently, DOD projects that its fiscal year 1996 budget represents, in real terms, a 39-percent reduction below its fiscal year 1985 peak of recent times. By way of comparison, its 1995 BRAC recommendations combined with previous major domestic base closures since 1988 would total a reduction of 21-percent.

DOD's 1995 BRAC process was generally sound and well documented and should result in substantial savings. However, the recommendations and selection process were not without problems, and in some cases, there are questions about the reasonableness of specific recommendations. At the same time, we also noted that improvements were made to the process from prior rounds, including more precise categorization of bases and activities; this resulted in more accurate comparisons between like facilities and functions and better analytical capabilities.

We raise a number of issues that we believe warrant the Commission's attention in considering DOD's recommendations. Key among those issues are the following:

-- DOD's attempt at reducing excess capacity in common support functions facilitated some important results. However, agreements for consolidating similar work done by two or more of the services were limited, and opportunities to achieve additional reductions in excess capacity and infrastructure were missed. In particular, this was the case at depot maintenance activities, test and evaluation, and laboratory facilities.

-- Although the services have improved their processes with each succeeding BRAC round, some process problems continued to be identified. In particular, the Air Force's process remained largely subjective and not well documented; also, it was influenced by preliminary estimates of base closure costs that changed when more focused analyses were made. For these and other reasons, GAO questions a number of the Air Force's recommendations. To less extent, some of the services' decisions affecting specific closures and realignments also raise questions. For example, the Secretary of the Navy's decision to exclude certain facilities from closure for economic impact reasons suggests that the economic impact criterion was not consistently applied.

Now, permit me to briefly expand my comments in a few of these areas.

BRAC Savings Are Expected to Be Substantial,
but Estimates Are Preliminary

We estimate that the 20-year net present value of savings from DOD's recommendations will be \$17.3 billion, with annual recurring savings of almost \$1.8 billion. These estimates are not based on budget quality data, however, and are subject to some fluctuations and uncertainties inherent in the process. Nevertheless, we believe the savings will still be substantial. At the same time, it should be noted that environmental restoration was not a factor in the DOD base closure decision-making process; and such restoration can represent a significant cost following a base closure.

DOD and its components improved their cost and savings estimates for BRAC 1995 recommendations. In developing cost estimates, they took steps to develop more current and reliable sources of information and placed greater reliance, where practicable, on standardized data. Some components sought to minimize the costs of base closures by avoiding unnecessary military construction. For example, the Navy proposed a number of changes to prior BRAC decisions that will further reduce infrastructure and avoid some previously planned closure costs.

We identified a number of instances where projected savings from base closures and realignments may fluctuate or be uncertain for a variety of reasons. They include uncertainties over future

locations of activities that must move from installations being closed or realigned and errors in standard cost factors used in the services' analyses. We completed a number of sensitivity tests to assess the potential impact of these factors on projected costs and savings and found that they had a rather limited impact.

It should be noted that shortly after the Secretary of Defense announced his list of proposed closures and realignments, most DOD components began undertaking more rigorous assessments of the expected costs of implementing the recommendations and developing budget quality data for doing so. Such efforts are currently underway primarily in the Army and Air Force, and to less extent in the Navy. We suggest that the Commission obtain updated cost and savings data, to the extent it is available, and include it in summary form in its report for the recommendations it forwards to the President for his consideration.

Service Recommendations Will Reduce
Infrastructure, but With Little Gain
in Cross-Servicing

The BRAC 1995 process reduced some infrastructure in common support areas such as hospitals and pilot training facilities. However, the lack of progress in consolidating similar work done by two or more of the services limited the extent of infrastructure reductions that could have been achieved.

DOD tried to strengthen the 1995 BRAC process by establishing cross-service groups to provide the services with proposals for consolidating similar work in the areas of depot maintenance, laboratories, test and evaluation facilities, undergraduate pilot training, and medical treatment facilities. However, in the laboratories and test and evaluation areas, the cross-service groups were narrowly focused, and their initial proposals represented minor work load shifts that offered little or no opportunity for a complete base closure or cost-effective realignment. While the depot maintenance group identified excess capacity of 40.1 million direct labor hours, the services' recommendations would eliminate only half that amount. DOD received the services' recommendations too late in the process for meaningful give-and-take discussions to achieve greater consolidations. More time for such interactions and stronger DOD leadership will be required should there be future BRAC rounds.

DOD Components' Processes Were Sound,
With Some Exceptions

While we found the components' processes for making their recommendations were generally sound and well supported, we do have some concerns, particularly related to the Air Force. Specifically, key aspects of the Air Force's process remained largely subjective and not well documented. Documentation of the Air Force's process was too limited for us to fully substantiate the extent of Air Force deliberations and analyses. However, we determined that initial analytical phases of the Air Force's

process were significantly influenced by preliminary estimates of base closure costs. And some bases were removed from initial consideration based on these estimates. Also, in some instances, closure costs appeared to materially affect how the bases were valued. For example, Rome Laboratory, in Rome, New York, was ranked high for retention purposes largely because of projected high closure costs. When the Air Force later looked at the laboratory at the suggestion of a cross-service group, it found that the closing costs were much lower. Consequently, the Air Force recommended closure of the laboratory. Without the cross-service group's suggestion, the Air Force might have missed this opportunity to reduce excess capacity and produce savings. The more numerous recommendations on Guard and Reserve activities were developed outside its process for grouping or tiering bases for retention purposes and were based largely on cost-effectiveness.

Regarding the Navy, the Secretary of the Navy's actions excluded four activities in California from consideration for closure because of concerns over the loss of civilian positions. For the activities in California, he based his decision on the cumulative statewide economic impact. The cumulative job losses in California, in absolute terms, are greater than total job losses in other states. However, the individual impact of each of the four California activities is less than the impacts estimated for other activities in other states recommended for closure. For

example, the closure of the Naval Weapons Assessment Division (NWAD) Corona, California, would have meant a total loss of 3,055 jobs, but the closure of Naval Air Station (NAS) Meridian, Mississippi, will result in an estimated loss of 3,324 jobs. However, OSD did not take exception to this apparent inconsistency.

Regarding the Army, it did not fully adhere to its regular process in assessing military value when recommending minor and leased facilities for closure. In selecting 15 minor sites for closure, the Army based its decision on the judgment of its major commands that the sites were excess and of low military value. In considering leased facilities, the Army relied on its stationing strategy and its guidance to reduce leases but did not assess the facilities separately as it did for other installations. The decisions were arrived at through some departure from the process used for installations.

Some Service Recommendations Raise Issues
That Should Be Considered by the BRAC Commission

We generally agree with the Secretary's recommendations. However, we have unresolved questions about a number of Air Force recommendations and to much less extent the other components' recommendations. The following are some examples.

Even though the Air Force recognized that it had excess capacity

at its five maintenance depots and was considering closing two, it opted late in the process to realign the work load rather than close any depots. However, the Air Force based its decision on preliminary data from incomplete internal studies on the potential for consolidating and realigning work load and reducing personnel levels at the depots. Some of these studies were completed after DOD's BRAC report was published and do not fully support the BRAC-recommended consolidations. These recommended consolidations appear to expand the work load at some depots that are in the process of downsizing. Thus, the Air Force's recommendation may not be cost-effective and does not solve the problem of excess depot capacity.

The Air Force also proposed the realignment of Kirtland Air Force Base, New Mexico, because it rated low relative to the other five bases in the same category. Again, closure costs appeared to heavily influence this base's rating. However, for the military value criterion pertaining to mission requirements, the most important to the lab subcategory of bases, Kirtland rated among the highest of the six bases. Kirtland's realignment would reduce the Air Force's operational overhead, including support previously provided to the Department of Energy (DOE) and its Sandia National Laboratory located on Kirtland. However, the Air Force's savings could mean an increase in base operational support costs borne by DOE. We believe, and have recommended in the past, that DOD should consider the impact of significant

government-wide costs in making its recommendations.

The Army's proposed realignment of the Letterkenny Army Depot has generated some concerns not only about the completeness of closure cost data but also regarding the extent to which the current BRAC recommendation represents a change from a 1993 BRAC decision. BRAC 1993 produced a decision to consolidate all tactical missile maintenance at one location--Letterkenny. The Army's 1995 BRAC recommendation would split up some of the work by transferring the missile guidance system work load to Tobyhanna Army Depot while preserving the tactical missile disassembly and storage at Letterkenny. Maintenance on the associated ground support equipment, such as trucks and trailers, would be done at Anniston Army Depot. There are differences of opinion concerning the impact that separating these functions would have on the concept of consolidated maintenance.

Future BRAC Legislation May Be Needed
to Reduce Remaining Excess Activities

According to DOD, its major domestic bases will be reduced by 21 percent after implementation of all BRAC recommendations from the current and prior rounds; however, DOD fell short of meeting the goal it established for BRAC 1995. To bring DOD's base infrastructure in line with the reductions in force structure, DOD's goal for the 1995 round was to reduce the overall DOD plant replacement value by at least 15 percent--an amount at least equal to the three previous base closure rounds. However, DOD's

1995 recommended list of base closures and realignments is projected to reduce the infrastructure by only 7 percent.

The Secretary of Defense recently stated that excess infrastructure will remain after BRAC 1995, and he suggested the need for additional BRAC rounds in 3 to 4 years, after DOD has absorbed the effects of recommended closures and realignments. However, the current authority for the BRAC Commission expires with the 1995 round. Should the Congress seek further reductions, some process will be needed. The current BRAC process, while not without certain weaknesses, has proven to be effective in reducing defense infrastructure. Also, without new BRAC legislation, there is no process to approve modifications of BRAC decisions if implementation problems arise. BRAC Commissions in 1991 and 1993 ruled on changes to prior BRAC round decisions, and we see nothing to indicate that changes may not occur in the future.

Now let me conclude by discussing our report's specific recommendations.

RECOMMENDATIONS

Recommendations to the Secretary of Defense

Should there be future BRAC rounds, we recommend that the

Secretary of Defense

- begin the cross-service process 1 year before the services' BRAC process and, for each common support function studied, incorporate specific capacity reduction goals in OSD's initial BRAC guidance, and
- prior to any BRAC round, identify and make the policy decisions necessary in each area to merge service functions that would result in further reductions in infrastructure.

Recommendation to the Secretary of the Air Force

Should Congress mandate future BRAC rounds, we recommend that the Secretary of the Air Force fully document all analyses and decisions, including cost data.

Recommendations to the Commission

We recommend that the Base Closure and Realignment Commission take the following actions:

- Consider obtaining updated cost and savings data, to the extent it is available from the services, and include this data in summary form in its report for the recommendations it forwards to the President for his consideration.

- Require more complete plans for eliminating excess capacity and infrastructure before approving the Air Force's recommendations to realign its depot facilities.

- Because the services did not completely analyze the set of alternatives developed by the chairpersons of the cross-service group for test and evaluation, the BRAC Commission may wish to have the services complete detailed analyses, including cost analyses, for its consideration.

- Closely examine expected cost savings and operational impacts associated with the Kirtland AFB realignment. Additionally, we recommend that the Commission have DOD identify those closures and realignments that have costs and savings implications affecting other federal agencies.

- Assess the Army's approach to selecting lease facilities for termination and minor sites for closure regarding whether variances we have identified represent a substantial deviation from the selection criteria.

- Ensure that the Army's ammunition depot recommendations are based upon accurate and consistent information and that corrected data would not materially affect military value assessments and final recommendations.

- Assess the proposed realignment of Letterkenny Army Depot in view of the Army's recommendation to change a prior BRAC decision to consolidate tactical missile maintenance at a single location.

- Ensure that the Army has met all permit requirements related to the closure of Fort McClellan, Alabama.

- Explore the need for a DOD component or some other government agency to obtain the wind tunnel facility at the Naval Surface Warfare Center, White Oak, Maryland, from the Navy.

- Thoroughly examine the basis for exclusions to the cost and savings data associated with closure and realignment scenarios such as the Naval Surface Warfare Centers in Louisville, Kentucky; Indianapolis, Indiana; and Lakehurst, New Jersey.

- Examine, from an equity standpoint, the Navy's exclusion of activities from closure and realignment consideration due to concerns over job losses.

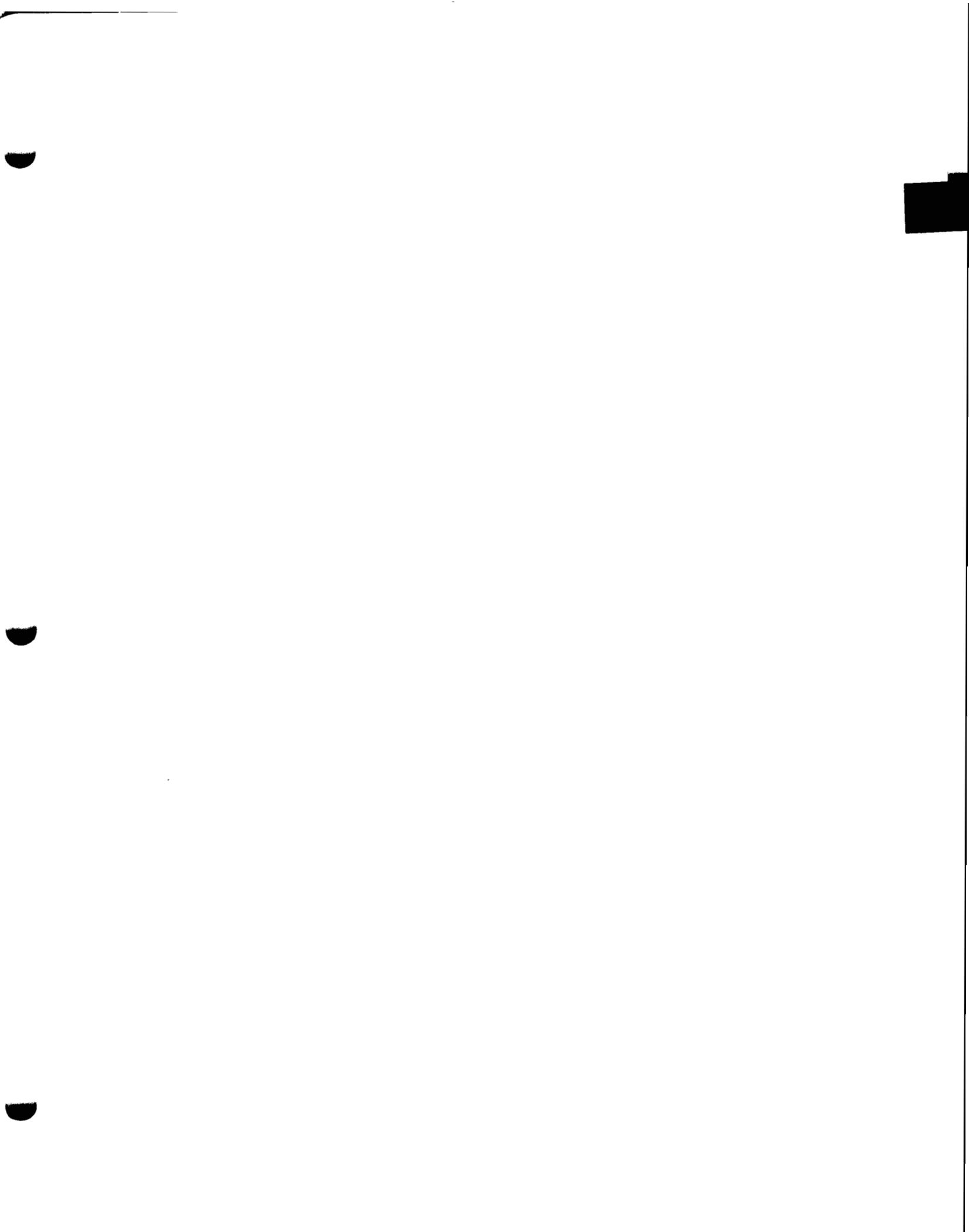
- Finally, consider requiring that DOD report to the Commission on the comparative cost-effectiveness of options it is considering regarding privatization-in-place or the

transfer of workload to other depots, versus the current cost of performing operations at the Aerospace Guidance and Metrology Center at Newark Air Force Base, Ohio (a 1993 BRAC recommendation).

- - - - -

Mr.Chairman, this concludes my prepared statement. We will be happy to respond to any questions.

(709138)



GENERAL BACKGROUND

1. Mr. Hinton, in broad terms, what was the approach methodology and sampling plan used by the General Accounting Office in analyzing the DoD selection process?

2. Mr. Hinton, legislation requires use of certified data in the decision process. In several instances, Commission visits revealed that critical, certified data are inaccurate.

DIXON

What are your views on the certification process use by the Military Services?

How did you assess the accuracy of data?

What was your process to oversee data review and update as the decision cycle unfolded?

COSTS

1. Mr. Hinton, the Secretary of Defense estimated the cost to implement his recommendations at \$3.8 billion, with annual steady-state savings of \$1.8 billion, and a net present value of \$18.4 billion over 20 years. Your estimates validated the \$1.8 billion savings, but estimated net present value at a lower \$17.3 billion.

COX

Where do your cost estimates differ from the Defense Departments?

What are the factors behind those differences?

2. Mr. Hinton, your testimony and report raise questions about the projected costs and savings from several of DoD's closure and realignment recommendations.

How confident are you that DoD will achieve the \$1.5 billion in annual savings from their recommendations?

3. Mr. Hinton, GAO previously criticized DoD's decision to expend no effort capturing the total costs to government of BRAC recommendations.

Please cite examples where you determined DoD might not have captured total costs to government in this round of recommendations.

Do you have suggestions on how the Commission can calculate the total costs of DoD's recommended actions?

Montoya

4. Mr. Hinton, Secretary of Defense guidance prohibits consideration of environmental restoration costs in closure cost calculations.

Did you detect any instance where this cost was included (or considered) in determining the cost to close?

Did you detect instances where installations were not recommended for closure due to unique contamination problems or restoration costs?

DoD SELECTION CRITERIA

1. Mr. Hinton, written guidance for the selection process was provided by the Office of the Secretary of Defense (OSD) to the Services.

What is GAO's opinion of the OSD guidance?

Did you detect instances of substantial deviation from the Secretary's guidance by the Joint Cross Service Groups or by the Services?

2. Mr. Hinton, military value remained the driving factor in the Secretary's criteria for analyzing potential closures or realignments.

Montoya

-NO

Did your review highlight any instances where economic or political considerations were placed ahead of military value in the decision process?

3. Mr. Hinton, you suggest that the Commission "examine, from an equity standpoint, the Navy's exclusion of activities from closure and realignment consideration due to concerns over job losses."

To which specific activities are you referring?

Are you recommending that the Commission add them to the list for consideration?

ECONOMIC IMPACT

1. Mr. Hinton, the DoD decided not to choose a threshold at which the cumulative economic impact becomes the determining factor in removing a base for consideration of closure or realignment.

Robles

In your view, how was cumulative economic impact used in DoD's assessments, and what weight did economic impact have in its deliberations?

2. Mr. Hinton, the DoD substantially revised the economic "multipliers" used to measure the indirect and induced employment impacts of base closures in this round of recommendations. In general, the changes result in lower estimates. The DoD still maintains, however, that their methodology results in estimates of "worst case" job impacts.

Robles
(kind of)
Spoke of model

Do you agree that DoD's methodology results in worst case estimates of the impact on jobs?

3. Mr. Hinton, some of the functions on installations recommended for closure or realignment are operated by contractors' employees.

DAVIS

What is the appropriate way to count these job loses?

Have they been counted by DoD?

Have the Services been consistent in counting these job loses?

RECORD

EXCESS CAPACITY / CROSS SERVICE

1. Mr. Hinton, your opening statement noted excess Defense Department capacity would remain after execution of the list, particularly within the categories of depot maintenance and lab facilities.

Did you find excess capacity problems were more prevalent in any one Service or Defense Agency?

Do you have specific recommendations for the Commission to address remaining excess capacity during this round of deliberations?

2. Mr. Hinton, one of the specific DoD responses to your 1993 recommendations was the establishment of Joint Cross Service Groups in five functional areas. Your report for this round is still critical of the results of cross service efforts.

In your view, why did the Cross Service Groups produce such poor results?

3. Mr. Hinton, the Medical Joint Cross Service Group provided some 16 separate hospital realignment and closure alternatives for Service consideration. Most of the Joint Group's alternatives are not among the DoD recommendations.

What is your assessment of the quality of the Medical Joint Cross Service Group's process and the alternatives it produced?

KLINS
OK - SVCS
did not

Did all three Services fully research cost estimates and carefully consider the Medical Group's recommendations?

4. Mr. Hinton, one early Joint Cross Service Group decision was to separate the evaluation of research and development activities (Labs) from test and evaluation activities (T&E).

What is your view on the decision to separate these functions?

To what extent did that result in retaining excess capacity / infrastructure?

5. Mr. Hinton, according to the DoD closure and realignment report, the Services concluded that the need to preserve "core" test facilities precluded major closures, and that cross-servicing of T&E functions would not be cost effective.

What is GAO's view on the controversy over the "core" alternatives suggested by the T&E Joint Cross Service Group?

What happened in the process that resulted in Service non-responsiveness?

6. Mr. Hinton, in your testimony for record, you noted an example of the Air Force revisiting Rome lab at the suggestion of the Lab Joint Cross Service Group - with the ultimate result of recommending closure. Your example infers the Air Force / DoD recommendation to close Rome Lab is valid.

Is the inference correct?

No comment

DAVIS
[Signature]

What are the factors that validate Air Force's closure recommendation prior to their determining the full cost to close the installation?

) Kind of OF

7. Mr. Hinton, the general approach to infrastructure reduction was to consolidate functions at selected installations to eliminate functional duplication. Such an approach would appear applicable with the Navy and Air Force aviation training programs and would support a broader "cross service" training system.

Did the Joint Cross Service Group consider such an approach with the Specialized Undergraduate Pilot Training program?

AIR FORCE

~~Steeb~~
Savings of 11.85%
DePot changed

1. Mr. Hinton, the GAO report concludes: "The Air Force's recommendations to realign rather than close any depot maintenance activities did not appear to be well thought out or adequately supported. They do not fully address the problem of significant excess capacity in the depot system, and it is not clear that the realignments will achieve indicated savings."

Steeb
(Revised)

Is the Air Force approach to reducing excess capacity appropriate?

Is it your recommendation that the Commission should consider the closure of Air Force depots? If so, how many?

Significant A'w methods of N/A
CORRA - AF does things "High" cost
pers. maint

2. Mr. Hinton, the Air Force has indicated that the cost to close one of their depots would be approximately \$600 million and the cost to close two would be approximately \$1.2 billion.

Kind of?

Did GAO review these estimates? Do you agree with them?

3. Mr. Hinton, in estimating the costs to close an Air Force depot, the Air Force assumed that a depot closure would result in the elimination of only 7 percent of the positions at that depot--the rest would be realigned to the other depots.

In your view, is this a reasonable estimate of the personnel savings that would be achieved from closure of an Air Force depot?

4. Mr. Hinton, the Air Force excluded F.E. Warren AFB, Wyoming, from evaluation on the rationale that DoD Force Structure requires Peacekeeper missiles throughout the BRAC 95 implementation period.

OK

GAO found no reason to question the basis for the Secretary of the Air Force's decision to eliminate additional installations from the analysis, because no significant excess capacity existed. Given that Peacekeeper drawdown will be

well underway by the end of BRAC 95 implementation, what are your views on the Air Force excluding F.E. Warren AFB from evaluation?

NO WAY TO tell

5. Mr. Hinton, the Air Force made a "conditional" recommendation to inactivate the missile group at Grand Forks AFB--unless the Secretary of Defense determined that ABM Treaty considerations preclude the recommendation.

What are your views on a "conditional" recommendation to the Commission?

6. Mr. Hinton, in December 1994, GAO issued a report concerning the Newark AFB Aerospace Guidance and Metrology Center, which was closed by the 1993 Commission. The report challenged the Air Force attempts to privatize the Center's workload in place and recommended the Secretaries of the Air Force and Defense reevaluate the 1993 DoD recommendation to close and challenged the Air Force's approach to implementing the recommendation through privatization-in-place.

NI

Mr. Hinton, what was the Air Force response to GAO's recommendation? Did GAO find that the Secretary of the Air Force and the Secretary of Defense reviewed the 1993 closure?

Don't know all

✓ MR Looking at ISSUE

Mr. Hinton, given that the Air Force and the Department of Defense did not request the Commission to redirect its 1993 recommendation and given that the Air Force appears not to have fully investigated other approaches to the 1993 recommendation other than privatization in place, do you believe that the Secretary of Defense has substantially deviated from the eight Selection Criteria of the Force Structure in not requesting a redirect of the Newark AFB?

Record

7. Mr. Hinton, GAO reported that the initial analytical phases of the Air Force process were significantly influenced by preliminary estimates of base closure costs. Some bases were removed from initial consideration based on these estimates. Specifically, which bases were taken off the list because of high cost-to-close estimates?

Yes
RAN
eg
in power

7

8. Mr. Hinton, the GAO report states "the Air Force may not have considered other issues regarding those facilities that are scheduled to remain at Kirtland." What are the "other issues"?

Sent Record

9. Mr. Hinton, the Air Force's Base Closure Executive Group deliberated and voted on base closures for both Active and Reserve Components.

Sent Record

COX

What role did Reserve Component officials play in base closure and realignment recommendations, especially those that affect the Reserve Component?

Partial

Record

10. Mr. Hinton, as you know, the services must consider DoD Force Structure Plan when making closure and realignment recommendations to this Commission.

Sent Record

COX

How did the Air Force use the Force Structure Plan regarding the Reserve Component in making its base closure and realignment recommendations?

Record

11. Mr. Hinton, the DoD Base Closure and Realignment Report states that Reserve Component bases were examined for cost effective relocations other bases.

Can GAO confirm the accuracy of the savings, or net present value, generated by DoD's recommendations regarding the Reserve Component?

12. Mr. Hinton, the GAO report comments that although the Air Force initially indicated an excess of eight operational aircraft bases, the Service failed to close a single such base. The further analysis of the Air Force process seems to indicate that this result was due to the lack of appropriate receiver bases due to air quality limitations and potential overseas returns.

COX

Do you believe the Air Force was justified in not closing an operational aircraft base due to the above limitations?

Y

DIFFICULTIES - Lack of Documentation
↳ Show Let them escape

I wish suggest
w/ ASH for Record

In light of the environmental and overseas return limitations, did GAO calculate the actual excess capacity in the Large and Small Aircraft Categories?

13. Mr. Hinton, GAO's report again criticizes the Air Force for not objectively ranking their installations within categories but you do credit them with a more object approach to assigning "roll-up" ratings to individual criteria for each base. You also criticize the Air Force for putting too much weight on closing costs in their installation tiering process. The GAO report, on the other hand, compliments the other services for specific military value ranking procedures while noting that the lowest ranking bases were not always closed by those services due to closing cost or operational considerations.

DAVIS

Isn't the Air Force method another way of applying the judgment of military leadership to a system that could be driven by statistics as opposed to operational considerations and cost considerations - both of which are major factors in assessing military value?

yes - But could not fully determine impact of cost eg

Did not understand the AF judgement process

If the Air Force had provided the secret ballot tiering votes or tally sheets for the record, would you have more of a tendency to support their process?

yes

Would you have been more inclined to support their process if you had been allowed to sit in on their balloting sessions?

Compliment

14. Mr. Hinton, the GAO report notes that the meetings of the Executive Group with the Secretary of the Air Force were not documented. Is it not true, however, that the decisions of the Secretary at those meetings, and the rationale for those decisions, are captured in subsequent minutes of the Executive Group?

DAVIS

Summarized But not nearly detailed enough

Sent
Record

15. Mr. Hinton, you note in the GAO report that "citing the high cost of closure, the Air Force recommended that none of its five maintenance depots be closed." Elsewhere in the report, GAO comments that the proposed Kirtland AFB realignment fails to achieve the stated objective of reducing laboratory capacity and that "a significant amount" of Air Force savings from this action will be offset by increased Department of Energy costs--which, incidentally, will also come from the same appropriation. As you know, the Kirtland AFB realignment was the single most costly action proposed by the Air Force with a one time cost to close of \$277 million, and if this recommendation had not been included, it appears that the Air Force could have afforded to close one of its five depots.

input

Based on these observations, are you satisfied that DoD gave adequate consideration to the Air Force recommendations before forwarding them to the Commission without changes?

steal
yes

16. Mr. Hinton, GAO's report comments on the Air Force's ongoing assessment of the Reese AFB community concerns on the Air Force's application of Joint Cross-Service Group functional value scores to military value and the Air Force's subsequent tiering results.

Do you believe the Air Force application of a relatively narrow standard deviation of these scores was an appropriate method to determine criteria one color coding?

NF. CA

Sent
Record

17. Mr. Hinton, in your review of the Air Force's data and analysis on projected workloads of total available capacity at Electronic Combat facilities (particularly the AFEWES and REDCAP missions) did you reach any specific conclusions as to the measurement and/or methodology the Air Force used in their projections?

Record??

NAVY

1. Mr. Hinton, the Depot Maintenance Joint Cross Service Group suggested that future nuclear submarine workload requirements in the Navy could be met even with the closure of the Portsmouth Naval Shipyard. The Navy apparently disagreed.

Steal

What are GAO's views on the issue?

Do the current recommendations result in significant excess capacity in the Navy's nuclear capable shipyards?

ARMY

1. Mr. Hinton, the Army's cost data concerning Fort McClellan, AL includes barracks construction expenditures at Fort Leonard Wood, MO to accommodate joint-service training, and costs at other bases to move basic training out of Fort Leonard Wood. None of these moves (or costs) is required by the Army's realignment recommendation.

What is your opinion regarding these specific costs in Cost of Base Realignment Actions (COBRA), and the inclusion of discretionary costs in general?

What is GAO's view of paying for discretionary moves from base closure funds?

2. Mr. Hinton, your report notes: "The Army's stationing strategy seems to suggest that only one base is needed in Alaska to support one maneuver brigade and support forces. Initial Army studies show that keeping Fort Wainwright open was the better choice and that Fort Richardson would therefore be the best candidate for closure." *Steeb*

You go on to note: "the Army later decided that due to strategic requirements in the Pacific and high closure costs, Fort Richardson would remain open."

Do you agree with the Army's conclusion that two maneuver installations are needed in Alaska under current stationing plans?

3. Mr. Hinton, the Army recommended realigning or closing several installations that primarily provide family housing (Price Support Center, Fort Totten, Fort Hamilton, Fort Buchanan, and Army Garrison - Selfridge). In a March 1995 interview, Defense Secretary Perry stated housing is a major problem within DoD. *Kind of DIXON*

In view of the Secretary's comments, are the Army's recommendations justified

4. Mr. Hinton, the Army recommended consolidating the Baltimore and St. Louis Publications Centers at St. Louis. The Commission's initial analysis indicates possible greater savings by a cross-Service consolidation of all DoD publications centers.

What are your views on this issue?

5. Mr. Hinton, in 1993, GAO was critical of the Defense Department for removing Fort Monroe, VA from the Army's closure list because of uncertainty over environmental clean-up costs. Subsequently, the Army completed a restoration cost study. The Army's 1995 list does not include Fort Monroe.

Robley

Did GAO review the reasons for excluding Fort Monroe from this round?

COST OF BASE REALIGNMENT ACTIONS (COBRA)

1. Mr. Hinton, in the 1993 GAO report on DoD's base closure process, you noted several differences in the way the various services employed the Cost of Base Realignment Actions (COBRA) model.

Did GAO discover any significant differences between the services' application of COBRA in this year's process?

Robbs
Process improved

BUSINESS EXECUTIVES FOR NATIONAL SECURITY REPORT

DIXON

1. Mr. Hinton, in October 1994 Business Executives for National Security (BENS) issued a report, "Uncovering the Shell Game," contending "...of the 67 bases the President, Congress and the Pentagon have agreed to shut down this far, over one-third never closed or have quietly reopened under a new name or function."

Did your review of the 1995 (or previous years) DoD process detect instances that lend substance to the BENS' allegation? If so, please amplify.

Looked at 70 major Base - 30 never ^{intended for} full closure

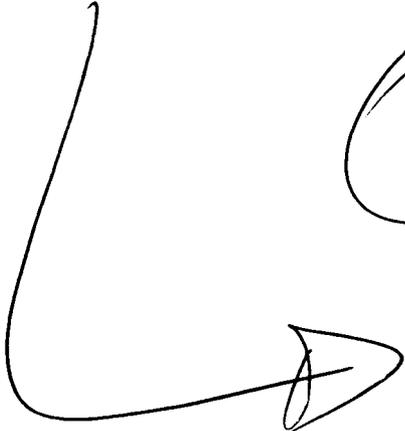
2. Mr. Hinton, Secretary Perry defended his Department's decision to place 12 new Defense Finance and Accounting Service (DFAS) offices on bases previously slated to close as a result of prior base closure rounds.

DIXON

What is GAO's position on DoD's decision?

RECORD

SOME CONCERNS



Revisited by Robber
specifically on going
to Open vs Closed Bases

Report coming

CLOSING QUESTIONS

1. Mr. Hinton, the Secretary of Defense's recommendations total 146 actions across the Services and several Defense Agencies. Your statement highlighted areas where you retain unresolved questions about the Military Departments' selection process.

Do you have any additional installations you recommend for the Commission's consideration?

2. Mr. Hinton, thank you for your comments on the need for a future process assisting Defense efforts to reduce unneeded infrastructure. The Commission plans to make recommendations on such a process after this 1995 round is completed.

Do you have any specific suggestions in this area for us to consider?

QUESTIONS FROM CONGRESSMAN RICHARD GEPHARDT

1. The General Accounting Office report states that the Army “did not fully adhere to its regular process for installations in assessing military value when recommending...leased facilities for closure.” It specifically notes that the “ Army did not prepare installation assessments for leased facilities.”

Is it true the Army’s installation assessment consisted of an evaluation based on the four DoD military value criteria?

If so, were leased facilities therefore excluded from an evaluation based on these four criteria?

It is true that the base closure law requires the Army to make closure recommendations on the basis of the DoD criteria?

2. In response to a question by the Commission, the Army stated its leaders considered the military value of the Aviation and Troop Command (ATCOM) in their deliberations. The community in which ATCOM is located contends that no such consideration occurred.

Did the General Accounting Office find any evidence that the Army’s leaders considered the specific military value of ATCOM in their deliberations?

3. Is it legitimate for the Army to claim that vacating leased facilities owned by the General Services Administration will result in a savings to the government?

GERRY E. STUDDS
TENTH DISTRICT, MASSACHUSETTS

- COMMITTEE ON MERCHANT MARINE AND FISHERIES
CHAIRMAN
- SUBCOMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES
CHAIRMAN
- COMMITTEE ON ENERGY AND COMMERCE
- SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT
- SUBCOMMITTEE ON TRANSPORTATION AND HAZARDOUS MATERIALS



Congress of the United States

House of Representatives

April 14, 1995

- WASHINGTON
237 CANNON BUILDING
WASHINGTON, DC 20515-2110
202-225-3111
- SOUTH SHORE 1-800-794-9911
- QUINCY
1212 HANCOCK STREET
QUINCY, MA 02169
- BROCKTON
FEDERAL BUILDING
168 MAIN STREET
BROCKTON, MA 02401
- PLYMOUTH
225 WATER STREET, SUITE 401
PLYMOUTH, MA 02360
- CAPE COD AND ISLANDS 1-800-870-2828
- HYANNIS
146 MAIN STREET
HYANNIS, MA 02601

Alan Dixon, Chairman
The Defense Base Closure
and Realignment Commission
1200 North Moore St, Suite 1425
Arlington, VA 22209

Dear Chairman Dixon:

I am writing to request that the following issues with regard to the Navy's process and recommendations in targeting NAS South Weymouth for closure be raised at next week's BRAC hearing with the Government Accounting Office (GAO).

In recommending NAS South Weymouth for closure, the Navy apparently overlooked two facilities (NAS Atlanta and NAS Fort Worth) with a lower "military value," according to the Navy's own criteria.

In the case of NAS Atlanta -- which is significantly lower in military value than South Weymouth and was initially considered for closure -- the Navy has argued that the area is "rich in demographics" and should remain open. Yet the Navy's own Military Value Matrix for Reserve Air Stations rates NAS Atlanta last and NAS South Weymouth first in demographics.

In its 1993 report to the BRAC, the GAO identified a "problem" with the Navy's process in instances when "a base was recommended for closure, even though its military value was rated higher than bases that remained open." I see no reason that these concerns would not be relevant to the Navy in 1995. While the GAO's 1995 report describes the Navy's recommendations as "generally sound," does the GAO continue to view the Navy's disregard for military value -- particularly in the case of NAS South Weymouth -- as a problem in its decision-making process?

Again, I respectfully request that the BRAC direct the GAO to respond to this issue during next week's hearing.

I appreciate your assistance in this matter.

With kind regards.

Sincerely,

Gerry E. Studds

HAROLD E. FORD
5TH DISTRICT, TENNESSEE

COMMITTEES:
WAYS AND MEANS

COMMITTEE ON HUMAN RESOURCES



Congress of the United States
House of Representatives
Washington, DC 20515-4209

OFFICES:

2111 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4209
(202) 225-3286
FAX (202) 725-9215

187 NORTH MAIN STREET
FEDERAL OFFICE BUILDING, SUITE 289
MEMPHIS, TN 38103
(901) 544-4131
FAX: (901) 544-4329

April 13, 1995

Commissioner S. Lee Kling
Defense Base Closure and Realignment Commission
1700 North Moore Street, Suite 1425
Arlington, VA 22209

Dear Commissioner Kling:

We are writing to you regarding the upcoming testimony of the General Accounting Office on Monday April 17, 1995. Given your March 24 visit to the Defense Distribution Depot Memphis (DDMT) and the questions which we have shared with you about the recommendation to close DDMT, we request that you consider asking the following questions of the GAO witnesses at the Monday hearing:

Question #1:

The Department of Defense and Defense Logistics Agency created a 1,000 point ranking system to evaluate its distribution depots. Within this 1,000 point system, only 20 points related to a depot's transportation capabilities. Does the GAO believe it was appropriate to allocate only 2 percent of the evaluation of a distribution depot to the issue of transportation capabilities?

Question #2:

How can the GAO validate DLA's procedures when the installation military value rankings placed the oldest depot with the highest real property maintenance as the top installation? Shouldn't this result have sent a red flag to the GAO that mission scope was skewing the military value analysis?

Commissioner S. Lee Kling
April 13, 1995

Question #3

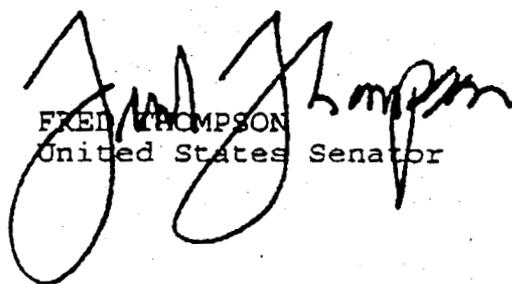
Did the GAO analyze DoD's process of selecting DLA depots for closure that are collocated with other service branch bases?

Again, we appreciate the time that you have devoted to our constituents and the base closure process and your consideration of this request.

Sincerely,


HAROLD FORD
Member of Congress


BILL FRIST
United States Senator


FRED THOMPSON
United States Senator

FROM: WIDNALL, SHEILA	TO: DIXON
TITLE: SEC OF AIR FORCE	TITLE: CHAIRMAN
ORGANIZATION: DEPT OF THE AIR FORCE	ORGANIZATION: OBCRC
INSTALLATION (s) DISCUSSED:	

OFFICE OF THE CHAIRMAN	FYI	ACTION	INT	COMMISSION MEMBERS	FYI	ACTION	INT
CHAIRMAN DIXON				COMMISSIONER CORNELLA	✓		
STAFF DIRECTOR	✓			COMMISSIONER COX	✓		
EXECUTIVE DIRECTOR	✓			COMMISSIONER DAVIS	✓		
GENERAL COUNSEL	✓			COMMISSIONER KLING	✓		
MILITARY EXECUTIVE				COMMISSIONER MONTOYA	✓		
				COMMISSIONER ROBLES	✓		
DIR./CONGRESSIONAL LIAISON	✓			COMMISSIONER STEELE	✓		
DIR./COMMUNICATIONS				REVIEW AND ANALYSIS			
				DIRECTOR OF R & A	✓		
EXECUTIVE SECRETARIAT				ARMY TEAM LEADER	✓		
				NAVY TEAM LEADER	✓		
DIRECTOR OF ADMINISTRATION	✓			AIR FORCE TEAM LEADER	✓		
CHIEF FINANCIAL OFFICER				INTERAGENCY TEAM LEADER	✓		
DIRECTOR OF TRAVEL				CROSS SERVICE TEAM LEADER	✓		
DIR./INFORMATION SERVICES							

TYPE OF ACTION REQUIRED

Prepare Reply for Chairman's Signature	Prepare Reply for Commissioner's Signature
Prepare Reply for Staff Director's Signature	Prepare Direct Response
ACTION: Offer Comments and/or Suggestions	✓ FYI

Subject/Remarks:

OFFERING HER COMMENTS REGARDING GAO ASSESSMENT OF AIR FORCE RECOMMENDATIONS.

Copy to each AFT member (Sent)

Due Date:	Routing Date: 950503	Date Originated: 950502	Mail Date:
-----------	----------------------	-------------------------	------------



SECRETARY OF THE AIR FORCE
WASHINGTON

MAY 2 1995

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

Dear Mr. Chairman:

I was concerned to hear of both the content and temper of the remarks by the General Accounting Office during the Commission hearing on April 17th. Although some of the technical points raised by the GAO in their report are valid, it appears they have overstated their case. I do not wish to offer a point-by-point rebuttal, but I will offer some general observations about the GAO assessment.

Contrary to the repeated assertions of GAO officials, the Air Force process, deliberations, and rationale are very well documented. First, minutes of the Base Closure Executive Group capture not only its deliberations, but also a synopsis of my decisions and my rationale.

The GAO's assertion of a lack of documentation relates to the voting of the Executive Group members on the placement of bases into tiers within categories. This tiering process follows a very detailed analysis of each base within a category using a combination of mathematical and statistical calculations. Specific measures or statistical analyses were applied to a large number of subelements under five (Criteria I, II, III, VII, and VIII) of the eight DoD criteria and then rolled up mathematically to a single grade for each criterion using specific weights or standard deviation methodology. In addition, for each base within a category mathematical calculations were used to establish the financial aspects and economic impact under Criteria IV, V, and VI. Using this information, the thirteen individual members of the Executive Group, representing years of experience in a wide range of functional areas, applied their judgment in voting. This tiering is not, of course, the end of analysis, but the beginning, as it serves to focus detailed analysis of individual bases. While the GAO prefers a mathematical ranking of bases, it recognizes the importance of applying military judgment to that ranking. This is exactly what the Air Force did.

The other deficiencies noted by the GAO related to Kirtland AFB and the depot downsizing recommendation are, as you know, being addressed with your staff. I understand that your staff was provided updated information on the Technical Repair Center consolidations. Our site survey teams are refining the cost data, and this refined information will be provided as soon as our internal process is complete.

It is my firm conviction that the Air Force process is sound, fair, and well-documented. I and my staff are ready to provide any information needed to support your important review.

Sincerely,

A handwritten signature in cursive script, reading "Sheila E. Widnall". The signature is fluid and elegant, with a large initial 'S' and 'W'.

Sheila E. Widnall



United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

May 5, 1995

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

Re: 950424-13

Dear Chairman Dixon:

Following our testimony before your Commission on April 17, 1995, you requested that we respond to numerous additional questions pertaining to the base realignment and closure process. Enclosed are our answers to those questions.

Sincerely yours,

Henry L. Hinton, Jr.
Assistant Comptroller General

Enclosure

J
FO
Copies to All AFT

Note comments on
Grand Forks - 9
Kirtland - 1, 10
Newark - 10
Active/Reserve - 11
Reese - 11
APWS/REDCAP - 12

Steve/Mark verify all of ours covered

COSTS

Question: GAO previously criticized DOD's decision to expend no effort capturing the total costs to government of BRAC recommendations. You cited the example of Kirtland AFB where DOD might not have captured total costs. Please provide your estimate of the costs to the U.S. Government for the DOD proposal to realign Kirtland AFB.

Answer: The Air Force's ongoing reassessments do not allow us to give such an estimate. However, available information indicates that the Air Force's initial estimate of \$62 million a year in recurring savings is overstated from a government-wide cost perspective. This is because the Air Force did not reflect between approximately \$18 and \$31 million in annual operating costs identified in subsequent Air Force and Department of Energy (DOE) studies identifying the costs required to support a DOE cantonment at Kirtland. The above variance results from DOE's assumption that it must independently establish base support operations for its cantonment while the Air Force study indicated a lower estimate of incremental Air Force cost to support DOE as part of the planned remaining active Air Force cantonment under a host-tenant relationship.

Additionally, the Air Force now recognizes that it overstated personnel savings by 179 personnel which we calculate overstated savings by about \$7 million using average Air Force salary factors. However, the Air Force has not yet recognized increased salary costs of about \$6 million that could be required if Kirtland transitioned to a largely civilian operated facility. These latter costs are based on our review of Phillips Laboratory and Kirtland Underground Munitions Storage Complex analyses. Further, the Air Force's one-time cost estimate of \$278 million for the realignment could increase significantly, including between \$18 and \$64 million in estimated one-time DOE costs depending on the host-tenant relationship, and \$227 million in DOD construction costs depending on the final results of Air Force site surveys and reviews. Air Force officials cautioned that both their initial cost and savings estimates, and the revised site survey data, are subject to on-going reviews, refinement, and consideration of other options that will continue for some time.

DOD SELECTION CRITERIA

Question 1: Written guidance for the selection process was provided by the Office of the Secretary of Defense (OSD) to the services. What is GAO's opinion of the OSD guidance? Did you detect instances of substantial deviation from the Secretary's guidance by the Joint Cross Service Groups or by the Services?

Answer: Our report noted some areas where there were

inconsistencies in some services' application of policy guidance or established processes, such as the Navy's action in applying economic impact criteria. More generally, however, we found that DOD components and cross-service groups adhered to OSD guidance and their internal decision-making processes. We recognize, however, that under law, the determination of "substantial deviation" is committed solely to the Commission's discretion.

OSD guidance provided an important framework for BRAC decision-making by the services. At the same time, it was sufficiently broad that it permitted the components to establish decision-making processes unique to their individual organizations. An important element of consistency between BRAC rounds resulted from DOD's decision to retain the same eight selection criteria in BRAC 1995 as it used in both the 1991 and 1993 rounds. Much of the guidance OSD issued for BRAC 1995 was similar to that issued for BRAC 1993. In general, this guidance has improved with each BRAC round. The Joint Cross-Service Groups were new in BRAC 1995, and OSD guidance pertaining to them likewise was also new.

ECONOMIC IMPACT

Question 1: Some of the functions on installations recommended for closure or realignment are operated by contractors' employees. When we asked what is the appropriate way to count these job losses, you offered to provide a response. Please provide your answer.

Answer: The portion of overhead costs (base operating support) attributable to contractor or non-appropriated fund employees is included in COBRA for BRAC 1995; that cost was not included in COBRA in prior BRAC rounds. Also, on-base contractors (those in support of a base's mission) are counted in the economic impact database in a manner similar to civilian employees. They are included in the calculation with multipliers for civilians. Sub-contractors were considered as part of indirect impact as were off-base contractors. This approach makes sense from a consistency standpoint, since it is similar to the manner in which military and civilian employees are counted.

EXCESS CAPACITY/CROSS SERVICE

Question 1: When discussing Joint Cross-Service Group recommendations, Commissioner Kling addressed the subject of GAO's review of Wilford Hall and excess capacity in the San Antonio, TX area. Do you agree with the Air Force's decision not to downsize Wilford Hall Medical Center? Do you believe the issue of excess hospital bed capacity (both military and civilian) in the San Antonio area warrants further study?

Answer: As we stated in our report,¹ a crucial task facing the Congress and DOD as they plan for the future of the military health services system is reaching agreement on the size and structure of the medical force needed to meet wartime requirements. Also, as we have noted, several key variables that greatly affect the wartime demand for medical care are still a matter of debate, making it difficult to prescribe the extent of additional infrastructure reductions that could or should be undertaken at this time. Further study of excess hospital bed capacity is certainly warranted as requirements become more clearly defined. However, at this time, we have not studied, nor are we able to definitively establish within the short time remaining in the 1995 BRAC process, the amount of military and civilian excess hospital bed capacity in the San Antonio, Texas area.

Question 2: Mr. Kling also discussed the number of small, close-proximity military hospitals around the country. Do you believe the DOD missed opportunities to close, realign, or consolidate services at small military hospitals?

Answer: As discussed in question one above, until DOD resolves the requirements issue, conclusive answers are not possible. However, DOD still has the opportunity to close, realign, or consolidate services at small hospitals outside of the BRAC process. Many hospitals or the realignment of some larger facilities would fall below the current BRAC threshold of authorized civilian positions.

Question 3: One early Joint Cross-Service Group decision was to separate the evaluation of research and development activities (Labs) from test and evaluation (T&E) activities. What is your view on the decision to separate these functions? To what extent did that result in retaining excess capacity/infrastructure?

Answer: If there are further BRAC rounds these two functions should not be separated. One of the problems DOD officials identified in this area was the separation of test and evaluation and laboratory functions between two cross-service groups. This created artificial barriers around the functions and facilities that each group could consider. While it would appear that this was a contributing factor affecting the retention of excess capacity/infrastructure in this area, sufficient data is not available to accurately quantify its impact.

¹Military Bases: Analysis of DOD's 1995 Process and Recommendations for Closure and Realignment (GAO/NSIAD-95-133, Apr. 14, 1995).

Question 4: According to the DOD closure and realignment report, the services concluded that the need to preserve "core" test facilities precluded major closures, and that cross-servicing of T&E functions would not be cost effective. What is GAO's view on the controversy over the "core" alternatives suggested by the T&E Joint Cross-Service Group? What happened in the process that resulted in service non-responsiveness?

Answer: Because the services did not completely analyze the core set of alternatives developed by the chairpersons of the cross-service group for test and evaluation, we suggest that the Commission have the services complete detailed analyses, including cost analyses, of these alternatives for its consideration. Since the cross-service group identified a large amount of excess capacity and analyzed certified data collected within the BRAC process, the Commission may find it useful to know if the core alternatives were feasible and cost-effective options.

Question 5: Commissioner J.B. Davis asked Mr. Holman to define GAO's recommendation for the Commission to review the DOD recommendation on Letterkenny Army Depot. The GAO report expresses concerns that the BRAC 95 recommendation represents a change to the BRAC 93 decision consolidating tactical missile maintenance. What is the impact of the separation of missile disassembly/storage at Letterkenny, guidance systems at Tobyhanna, and ground support equipment (including trucks and trailers) at Anniston? Do the Army assumptions and associated costs for the Letterkenny recommendation appear to support the recommendation? Are there additional costs associated with the Letterkenny recommendation? What is the impact of these costs on the ROI?

Answer: As we indicated in our report, we identified about \$3 to \$5 million in additional costs to implement the realignment than indicated by the Army. We are also aware, as we indicated in our testimony, that the Army is currently developing an implementation plan for the realignment. The process of developing this plan should identify any operational impacts and impediments to its implementation, as well as additional costs. For that reason, we suggest that the Commission obtain a briefing on the implementation plan and updated cost data from the Army in the late May or early June 1995 timeframe to more completely assess the operational and cost factors and the impact on the Army's projected return on investment. Until this information is provided, the feasibility of the maintenance concept and cost implications cannot be fully determined.

ARMY

Question 1: The Army's cost data concerning Fort McClellan, Alabama includes barracks construction expenditures at Fort Leonard Wood, MO to accommodate joint-service training, and costs at other

bases to move basic training out of Fort Leonard Wood. None of these moves (or costs) is required by the Army's realignment recommendation. Please review Fort McClellan's Cost of Base Realignment Actions (COBRA) analysis and provide your opinion on the inclusion of discretionary costs.

Answer: According to an Army official, the Inter-Service Training Review Organization (ITRO) construction included in this recommendation is necessary because ITRO personnel are currently housed in permanent party facilities planned for use by incoming Fort McClellan personnel. According to the Army, the ITRO personnel in question should be housed in trainee barracks which are less costly to renovate to required standard. To ensure that both permanent party and trainee personnel are in adequate facilities, ITRO personnel are expected to occupy renovated trainee barracks. An Army official told us that there is some indication that the construction costs may have been overestimated. However, the Army is currently reviewing this situation and has indicated that appropriate adjustments will be made as needed.

Also, an Army official told us that they included discretionary moves in the COBRA submitted to the Commission because they believed that this provided a more accurate picture of the cost of executing this recommendation. However, this official also indicated that the Army's Training and Doctrine Command may determine that there is a better way of breaking out student loads during the execution phase. A number of options are currently being explored as part of the implementation phase. Options which may develop from implementation planning could warrant revising COBRA analyses at a later date. However, the Army believes that at present the current COBRA analysis provides the most viable analysis.

Question 2: Chairman Dixon noted concerns over Army recommendations that dealt primarily with closing family housing areas, especially in view of recent SecDef comments on housing inadequacies. At issue is the cost to upgrade and maintain family housing versus the cost and availability of suitable housing on the local economy. Please provide the Commission with GAO's analyses of the cost alternatives regarding the Army's recommendations to close family housing at Price Support Center, Fort Totten, Fort Buchanan, Army Garrison-Selfridge, and Dugway's English Village Housing Area.

Answer: This issue was not covered in the scope of our review. However, based on inquiries made since the April 17, 1995 hearing, we noted the following. The family housing in question is located on what the Army considers to be installations that are of low military value and that it no longer requires. Initial Army studies showed that these facilities can be closed at savings to the Army. Subsequently, the issue was raised regarding non-Army

personnel who reside in the family housing in question. The cost impact of such personnel was not included in some of the Army's original COBRA data. The Army has now adjusted its COBRA analysis to include increased BAQ/VHA for those personnel which will be forced to relocate on the local economy. The effect of this was that BAQ/VHA recurring costs were increased by \$4.2 million. There was no change in the return on investment years as a result of the increased costs.

Housing is currently an area of major concern in the Department of Defense. In recent congressional testimony, the Deputy Assistant Secretary of Defense (Installations) said that 12 percent of military families living in civilian communities are in substandard housing. One reason cited for this is cost. Families who live off base receive about 21 percent less in allowances than they pay on the average for their housing. Families in government housing do not have this additional expense. On the other hand, the Deputy Assistant Secretary pointed out that there are also serious problems with government owned housing. The inventory is aging--average age of military housing is 33 years--and about 250,000 unsuitable houses need to be fixed up or closed.

The Deputy Assistant Secretary went on to say that DOD is collaborating with the services to develop and use both private capital and private sector management techniques to meet the Department's housing requirements. They are looking at such things as joint public/private housing ventures and sale/lease-back arrangements.

In view of the above statements, we believe it would be appropriate for the Commission to request DOD to explain how its BRAC recommendations affecting the Army's military family housing fit into overall concerns about and plans for addressing family housing needs.

Question 3: The Army recommended consolidating its Baltimore and St. Louis Publications Center at St. Louis. Please examine the possibility of consolidating all DOD publications centers, and provide the results of your examination to the Commission.

Answer: Such an examination is not possible in the timeframe available. However, information available within DOD indicates the following. A 1994 DOD-wide Business Process Reengineering Task Force recommended that a study be undertaken to determine the best alternative for carrying out the missions of the services' and Defense Logistics Agency's publication distribution centers--there are 18 such centers. The DOD study, which is expected to take eight months to complete, is expected to begin in late 1995. It is expected to examine the consolidation potential and the impact of long-term alternatives such as electronic forms creation. Adoption of an electronic forms alternative could radically change the

business process for publications management from storing paper in warehouses to storing digital files in data centers and thus create the potential for increased infrastructure reductions in the future.

The Army recommended the closure of its Baltimore Publication Center because, in its estimation, it is no longer needed, and it could no longer afford two separate distribution centers. In view of the upcoming study, and potential changes, Army officials continue to express the view that closure of the Baltimore Publication Center is a sound decision and will not adversely impact any future DOD consolidations. The Army believes that as DOD continues to downsize and as the publication management process further changes, the demand for storage space will continue to significantly decrease. Our work on other storage capacity issues shows that space reduction can be achieved by using compact discs. (See Space Operations: Archiving Space Science Data Needs Further Management Improvements (GAO/NSIAD-94-25, Dec. 9, 1993.)

Question 4: In discussion with Commissioner Cornella, you noted GAO was aware that Fort Indiantown Gap, PA community groups had submitted alternate cost data challenging Service estimates. Please provide your analysis of new COBRA data provided by the community on Fort Indiantown Gap.

Answer: The Fort Indiantown Gap community raised several concerns about the accuracy and reasonableness of the Army's cost data. We analyzed each of the concerns including average annual civilian salary expenses, base operating support costs, operating funds and real property that will remain at Fort Indiantown Gap to support a National Guard enclave, and travel costs to satisfy National Guard training requirements. As part of our analysis, we also reran the COBRA using the community's cost estimates.

Based on data available at this time, we believe that the Army's recommendation to close Fort Indiantown Gap continues to project a significant cost savings. We found no indication that the Army deviated from its standard data sources and methodologies to project the savings that would result from this closing action. We were not able to validate the cost estimates cited by the community; however, for purposes of making a sensitivity assessment, we employed their figures in a COBRA run to assess their impact. We found that if the community's cost estimates were valid, the return on investment (ROI) associated with closing Fort Indiantown Gap would remain approximately one year; the net present value over 20 years would decrease from \$281.5 million to \$90.6 million. However, discussions remain ongoing between Army and Fort Indiantown Gap officials to reconcile differences in their cost data.

Question 5: The GAO report cites errors found in the data supporting recommendations on ammunition storage depots. In your view, would correction of the errors justify changing the Army's recommendations for closure of ammunition storage installations?

Answer: As indicated in our report, we performed some sensitivity tests on the ammunition storage installation data. We basically used lower data amounts from the 1993 BRAC round and found that those tests did not materially change the relative rankings of the facilities. However, we cannot conclusively say that the rankings would not change without knowing the results of applying correct data for these facilities.

Question 6: The General Services Administration has stated that the Army's recommendation to disestablish the Aviation-Troop Support Command and relocate its functions to four different locations will result in a potential increase in Federal facilities costs of over \$130 million in a 10-year period. Does GAO agree with GSA's contention? Please provide your rationale.

Answer: GSA has stated that the Federal Government would incur significant costs if ATCOM's missions are shifted to other Army locations. Some of these costs are already recognized by the Army and reflected in its COBRA analyses. For example, COBRA does contain about \$59 million in military construction costs, most at Redstone Arsenal, that would be required to implement the realignment. The Army's COBRA assessment for this realignment also recognizes additional facility base operating costs of \$11 million at the new locations, compared to \$7.6 million for the current GSA lease. Other costs cited by GSA are not included in the Army's COBRA analyses. For example, GSA suggests that an additional \$10 million will be required to move the remaining tenants at the ATCOM site after the realignment. We have not validated that estimate but have assessed its impact on the Army's projected 20-year net present value (NPV) from the realignment; we found that it decreased the 20-year NPV by \$9 million and increased the return on investment (ROI) period from 3 to 4 years.

GSA has suggested that tenants that remained at the GSA facility in St. Louis could incur an additional recurring annual rental cost of \$3 million since overhead costs will continue to be allocated among the tenants who remained at the facility. It is not known whether the remaining tenants would absorb such an increase or decide to relocate elsewhere.

While facilities costs are important, a more significant factor affecting the Army's projected costs and savings from this realignment involves personnel costs. Under the Army's COBRA analysis, a significant portion of the projected cost savings are derived from reduced personnel costs resulting from the realignment. By collocating aviation and troop support commodity

functions with their research and development/testing functions, the Army estimates that significant personnel reductions will occur and are expected to more than offset the costs associated with implementing the recommendation.

NAVY

Question: Please provide for the record the work GAO has done studying options available to the Navy to maintain attack submarine force structure levels.

Answer: Recent GAO studies have examined this topic. (See Attack Submarines: Alternatives for a More Affordable SSN Force Structure (GAO/NSIAD-95-16, Oct. 13, 1994) and Navy Shipbuilding Programs: Nuclear Attack Submarine Requirements (GAO/T-NSIAD-95-120, Mar. 16, 1995). Several options for maintaining attack submarine forces were presented in these reports. Most of these options involve cancellation of construction of SSN-23, the third boat in the Seawolf class, or deferment of construction on a less expensive follow-on submarine. We are on record as questioning continuation of the Seawolf program in its current form on fiscal grounds and have disagreed with Navy concerns about losing the submarine industrial base, should further SSN construction be deferred.

We are much less certain about an assessment of the submarine threat and subsequent future SSN force structure requirements. The Navy has stated that the continuing improvement in Russian attack submarines represents a capability it must be prepared to counter. In addition, the threat posed by increasingly capable Third World diesel-electric submarines is viewed by the Navy as an important consideration in continuing to improve US SSNs.

AIR FORCE

Question 1: The Air Force made a "conditional" recommendation to inactivate the missile group at Grand Forks AFB--unless the Secretary of Defense determined that ABM Treaty considerations preclude the recommendation. What are your views on a "conditional" recommendation to the Commission?

Answer: The Defense Base Closure and Realignment Act of 1990, as amended, does not address "conditional" recommendations such as this one. The Secretary's recommendations must be based on the final criteria and the force-structure plan, and that evaluation appears to have been done here for both bases. The outcome of that evaluation indicates that Grand Forks was the preferred base for realignment except for the complicating factor of treaty considerations.

Question 2: In December 1994, GAO issued a report concerning the Newark AFB Aerospace Guidance and Metrology Center, which was closed by the 1993 Commission. The report challenged the Air Force attempts to privatize the Center's workload in place and recommended the Secretaries of the Air Force and Defense reevaluate the 1993 DOD recommendation to close and challenged the Air Force's approach to implementing the recommendation through privatization-in-place. Given that the Air Force and the Department of Defense did not request the Commission to redirect its 1993 recommendation and given that the Air Force appears not to have fully investigated other approaches to the 1993 recommendation other than privatization in place, do you believe that the Secretary of Defense has substantially deviated from the eight selection criteria or the force structure in not requesting a redirect of the Newark AFB? Do you believe the Commission should revise the 1993 recommendation to close Newark AFB?

Answer: While the Commission can make changes to a recommendation of the Secretary of Defense upon a determination of "substantial deviation" from the final criteria and force structure plan (section 2903(e)(2)(B)), there is a question of whether there can be a "substantial deviation" determination where, as here, no Secretarial recommendation is made and what is at issue is the recommendation of a prior BRAC Commission. In any event, the determination of "substantial deviation" is committed solely to the Commission's discretion. Consequently, GAO has not developed standards for such a determination and is not in a position to express an opinion at this time on what constitutes a "substantial deviation."

In light of the matters raised in our report on Newark AFB, we believe the Secretaries of the Air Force and Defense should have recommended Commission reconsideration of the 1993 Newark AFB closure.

Question 3: The GAO report states "the Air Force may not have considered other issues regarding those facilities that are scheduled to remain at Kirtland." What are the "other issues"?

Answer: The other issues deal with whether the Air Force gave adequate consideration to sensitive security and operational matters for the Kirtland Underground Munitions Storage Complex. There are issues related to perimeter security; the provision of security personnel, either military or civilian; and the adequate and timely provision for backup alert personnel in the event of an emergency. Additionally, there are indications that conversion of the facility largely to a civilian operation could make it subject to more stringent and costly Occupational Safety and Health Act (OSHA) provisions than are currently encountered by the military operation.

Question 4: The Air Force's Base Closure Executive Group deliberated and voted on base closures for both Active and Reserve Components. Please assess the impact of changing base ownership from the Active Component to the Reserve Component.

Answer: Changing base ownership from active to reserve components may result in overall savings to the active component. However, it will result in the shifting of some base operating costs to the reserve component; the amount would depend upon the size of the cantonment area. Since 1988, BRAC recommendations have converted portions of at least 6 active-duty Air Force bases to reserve component bases. These conversions generally consist of closing most of the base and leaving an existing reserve component unit in cantonment. Therefore, while some operating costs remain, the overall cost of operating the remaining portions of the bases should decrease in line with the smaller cantonment areas.

Question 5: The Services must consider the DOD Force Structure Plan when making closure and realignment recommendations to this Commission. How did the Air Force use the Force Structure Plan regarding the Reserve Components in making its base closure and realignment recommendations?

Answer: Based on our review of minutes of the Air Force Base Closure Executive Group's meetings, it appears that the Executive Group considered, to some extent, the force structure plan during its deliberations regarding the Air Force Reserve. Documentation is less clear regarding the Air Guard where the minutes indicate that primary consideration focused on achieving cost saving opportunities.

Question 6: In discussion with Commissioner Steele, Mr. Hinton noted that a final study of the Air Force's scoring of selection criteria number 1 regarding Reese AFB has just been completed. Please provide GAO's analysis of your review of the Air Force's final study.

Answer: This assessment of criteria 1 was predicated on community concerns raised concerning the Air Force's evaluation of Reese. We discussed the community concerns with cognizant Air Force officials. Particular emphasis was given to criterion 1 (mission requirements) since it showed the greatest differentiation among the Air Force bases. The community had pointed out what it considered to be errors in the Air Force's scoring in the measurements of mission requirements such as airspace, weather, and airfield pavement.

We noted that the Air Force has addressed the issues raised by the community and that changes were made to the functional values where appropriate. For example, the community pointed out data call

differences between Air Force and Joint Cross-Service Group (JCSG) measurements of available airspace. However, Air Force officials indicated that their data base was not used; instead they opted to use cross-service group functional values as the basis for criterion 1 scores. However, some of Reese's areas with 11,000 feet of altitude were credited with 9,000 feet due to transcribing errors. The Air Force also agreed with the community's finding that Reese should receive credit for two additional areas and for having an alert area. The Air Force provided data showing that the net total effect of making these airspace corrections would increase Reese's functional value by only about 0.08 point.

We also noted that some of the community issues came from non-certified data or data otherwise not part of the Air Force's BRAC process. For example, the community questioned why Reese fell from being the Air Force's "second highest ranked UPT base" during BRAC 1991 to the lowest ranked UPT base in BRAC 1995. An Air Force official told us that they did not rank these bases as part of their BRAC process in 1991 or 1995.

The Air Force has concluded that the net effect of incorporating the community's valid points would only increase Reese's average functional score by less than 1.5 percent and would have no impact on its recommendation to close Reese AFB. Based on available information, the Air Force's actions in addressing the issues in question appear reasonable.

Question 7: GAO reviewed the Air Force's data and analysis on projected workloads of total available capacity at Electronic Combat facilities (particularly the AFEWES and REDCAP missions). Do you agree with the Air Force recommendation to disestablish these two facilities?

Answer: Neither of these facilities were originally considered by the Air Force in its own BRAC review process because they did not meet the DOD BRAC threshold of 300 authorized civilian personnel. The Air Force considered them for disestablishment because they were suggested to them as alternatives by the Test and Evaluation Cross-Service Group. Available information indicates that REDCAP consists of government-owned equipment located in a contractor facility and AFEWES is a government-owned/contractor-operated facility. The cross-service group reported that realigning both of these facilities to other bases met its policy imperative of migrating workload to core activities. The cross-service group found that the future projected workload at each of these two facilities was less than 30 percent of facility capacity. The cross-service group's analysis shows that disestablishing these two facilities will eliminate nearly all identified excess capacity in one test category.

The Air Force's recommendation was to relocate the facilities' unique workloads to existing facilities at Edwards AFB, California. It indicated that the remaining workloads are duplicated elsewhere and are not needed. Based on available documentation, we found no information to suggest that these were not viable recommendations.

DEFENSE LOGISTICS AGENCY

Question: Congressman Robert Borski, PA, requested that the Commission review the DOD recommendation to disestablish the Defense Industrial Supply Center (DISC) based on his belief that: (1) there were significant cost omissions in the COBRA for DISC, including the cost of transferring items and the cost of delaying the BRAC 93 realignment of the Defense Personnel Support Center to the Aviation Supply Office compound; and (2) the methodology used to determine the amount of positions that would be eliminated under various ICP scenarios, which is the basis for the preponderance of savings, is patently illogical and contradicts common sense. What are your views on the disestablishment of DISC? What is your assessment of Congressman Borski's contentions?

Answer: We are unable to comment on whether every item should be moved or not, and what the associated costs are likely to be. However, it is our view that to the extent the movements occur as a direct result of the BRAC recommendation, we believe they should be accounted for in DLA's analysis. In addition, we also believe that some costs associated with delaying the BRAC 1993 realignment of DPSC to the ASO compound in North Philadelphia should have been captured in DLA's analysis. Unfortunately, a precise determination of these costs is difficult to determine at this time. However, we performed a sensitivity analysis to broadly assess the potential impact of these costs on DLA's recommendation. We found that capturing these costs, even under what appears to be a worst case scenario, still results in significant savings from this recommendation.

DLA officials have indicated that they do not believe that the cost of transferring items (i.e., historical hard copy data, technical drawings and ancillary records) is relevant to the BRAC process because this transfer would occur regardless of which ICP was disestablished. During 1995 BRAC Executive Group meetings the driving force behind DLA's ICP decisions was the fact that excess capacity existed and that one or two ICPs could be disestablished. DLA officials stated that another reason why it did not consider these costs in its 1995 process was because the costs associated with the transfer of items from the Defense Electrical Supply Center to Columbus, Ohio, as a result of BRAC 1993 were not included in that cost analysis.

DISC personnel believe that the costs associated with the transfer of items between ICPs as a result of the 1995 BRAC action should

have been considered. They contend that if it were not for BRAC, this transfer of DISC items would not occur. They believe it will cost about \$66 million to physically transfer DISC items. DLA contends that greater reliance on commercial practices requires changes in item management assignments, whether or not an ICP is eliminated as a result of BRAC. And, while eliminating an ICP results in a greater volume of movement, the increase would occur regardless of which ICP was disestablished. DLA officials believe that the associated costs would be much less than \$66 million, because most items will be transferred electronically as opposed to the physical transfer that DISC personnel describe. This official stated that the actual number of items and associated costs will be determined during BRAC 1995 implementation. Implementation planning is currently underway.

During a 1995 BRAC Executive Group meeting, the cost of delaying the BRAC 1993 realignment of the Defense Personnel Support Center (DPSC) to the Aviation Supply Office (ASO) compound was discussed. According to the Chief of the BRAC Working Group at that time, she had received guidance from OSD on how to address this issue in the 1995 BRAC round. Based on this guidance, DLA only claimed as savings the military construction costs avoided, and not the associated real property maintenance (RPMA) and payroll costs associated with the number of people required to maintain the facility for an additional two years. DLA officials told us that they sought OSD guidance because (1) the move to the ASO compound was still within the BRAC 1993 timeframe and they were unsure whether any costs and savings could be attributable to DLA BRAC 1995 recommendations; and (2) DLA's methodology for computing RPMA and base operating support (BOS) costs in 1995 were different from what was used in BRAC 1993; and (3) the COBRA model, the discount rate, and standard factors were different.

DISC personnel believe that the cost of delaying the BRAC 1993 realignment of DPSC to the ASO compound in North Philadelphia should have been included in DLA's analysis. They believe that this cost is at least \$74 million in fiscal year 1994 dollars. According to DISC officials, they used BRAC 1993 data to arrive at this figure. In our discussions with DLA officials, they do not believe that BRAC 1993 data should be used because of the various changes that have occurred since BRAC 1993. We concur with DLA on that issue. However, we do believe that some costs to maintain the facility for two years should have been captured in their analysis. Therefore, using BRAC 1995 data, we developed what we believe are the associated RPMA, personnel, and BOS non-payroll costs for staying at the South Philadelphia compound for an additional two years. We estimate the associated costs could be \$7.9 million for this two-year period. We calculated this number based on 185 personnel (who currently remain at the South Philadelphia compound) remaining on DLA's rolls to maintain the facility. We did not include the item managers or other operational personnel because the costs associated with these personnel were already captured in

DLA's analysis. Although it is not clear that 185 personnel would be retained for a full two years, we used this number because it represents what appears to be a worst case scenario.

Given the absence of firm data relating to the movement of DISC items, and OSD's guidance that precluded DLA from including the two-year associated DPSC costs, we conducted our own COBRA sensitivity analysis to determine the impact on DLA's decision to disestablish DISC by incorporating these additional costs. We conducted this analysis with four variations while keeping the \$7.9 million costs constant over 1998 and 1999: (1) placing the \$66 million as a one-time cost in 1996; (2) placing the \$66 million as a one-time cost in 1999; (3) placing a third of these costs in years 1996 through 1998; and (4) placing a third of these costs in years 1997 through 1999 (see the following table). For comparison purposes, we also showed DLA's recommended action. As shown in the table, regardless of the scenario, the decision to disestablish DISC still pays for itself. While the net present value (NPV) and return on investment (ROI) years change, the annual recurring savings once the action is completed remains the same.

Impact of Various Cost Considerations on DLA's Decision to Disestablish DISC

Fiscal year 1996 dollars in millions

Scenario	Recurring annual savings	ROI years	20-year NPV
DLA's recommended action	\$18.4	Immediate	\$236.5
\$66 million one-time cost in 1996 plus \$7.9 million allocated over two years (1997 and 1998)	18.4	4	156.4
\$66 million one-time cost in 1999 plus \$7.9 million allocated over two years (1997 and 1998)	18.4	4	161.5
\$66 million one-time cost allocated over three years (1996-1998) plus \$7.9 million allocated over two years (1997 and 1998)	18.4	4	158.1
\$66 million one-time costs allocated over three years (1997-1999) plus \$7.9 million allocated over two years (1997 and 1998)	18.4	4	159.8

In its data call questionnaire, each ICP provided the number of positions which allowed the DLA BRAC Working Group to determine the

number of direct, indirect, and G&A positions. The number of positions by category differs at each ICP. When analyzing DLA's various ICP scenarios, the number of positions eliminated vary based on the overhead positions on board at the losing activity.

DLA officials told us that they will determine the actual number of people required at each of the remaining ICPs during BRAC 1995 implementation; this will occur as a result of DLA refining its breakout of workload into weapon system, and troop and general support items.

COST OF BASE REALIGNMENT ACTIONS (COBRA)

Question: During testimony questions, the rationale and effects of cost estimate discount rates was a topic of discussion. Does GAO have a recommendation on a discount rate the Commission should use in preparing its cost analyses?

Answer: As indicated in our report, DOD's use of a different discount rate approach for BRAC 1995 tied to the Treasury's borrowing rate appears reasonable, and we see no reason why it should not be used. However, in using that approach, we believe that a discount rate of 4.85 percent should be employed to calculate NPV since that is the current rate approved by the Office of Management and Budget.

BUSINESS EXECUTIVES FOR NATIONAL SECURITY REPORT

Question: During testimony questions, GAO expressed concern over DOD's decision to place 12 new Defense Finance and Accounting Service (DFAS) offices on bases previously slated to close as a result of prior base closure rounds. Please provide for the record a copy of GAO's current draft report on the Defense Finance and Accounting Service.

Answer: We expect to provide a copy of this draft report to DOD for comment within the week and plan to make a draft available to the Commission shortly thereafter.

QUESTIONS FROM CONGRESSMAN RICHARD GEPHARDT

Question 1: The General Accounting Office report states that the Army "did not fully adhere to its regular process for installations in assessing military value when recommending...leased facilities for closure." It specifically notes that the "Army did not prepare installation assessments for leased facilities." Is it true the Army's installation assessment consisted of an evaluation based on the four DOD military value criteria? If so, were leased facilities therefore excluded from an evaluation based on these

four criteria? Is it true that the base closure law requires the Army to make closure recommendations on the basis of the DOD criteria?

Answer: Yes, the Army's installation assessment did consist of an evaluation based on the four DOD military value criteria. As we indicated in our report, the Army did not prepare installation assessments for leased facilities; however, the Army's stationing strategy provided the basis for the military value of leased facilities. Yes, the services are required to employ DOD's selection criteria in making BRAC decisions. See our response to question 2 below for a fuller discussion of these issues.

Question 2: In response to a question by the Commission, the Army stated its leaders considered the military value of the Aviation and Troop Command (ATCOM) in their deliberations. The community in which ATCOM is located contends that no such consideration occurred. Did the General Accounting Office find any evidence that the Army's leaders considered the specific military value of ATCOM in their deliberations? Is it legitimate for the Army to claim that vacating leased facilities owned by the General Services Administration will result in a savings to the government?

Answer: The Army did send out a data call related specifically to leases. This data call was sent to the Major Commands that had leases costing more than \$200,000 per year. The data call requested the following empirical information on each lease: location, tenants by lease and location, size of leased facility, cost, buy-out penalties, reorganization plans affecting leases (planned changes), and population.

The Army prepared a letter, dated April 14, 1995, addressed to the Commission, which explains how the Army addressed each of the four military value criteria for each of the leases. In this letter, the Army stated that "in no instance did the Army assess the military value of a leased facility solely according to the qualitative guidance provided by the Army's Stationing Strategy." The Army maintained that it used the empirical data collected in the data call along with other corporate data bases such as the facility data base in analyzing military value both from a quantitative and qualitative standpoint.

The qualitative assessment of leases appeared to be inherent in the stationing strategy. However, we found no other documentation supporting an analysis of, or addressing, the military value of leases. Further, the Army's Management Control plan does not describe a process to be used for determining military value of leases. Yet, Army officials state that military value considerations were present and inherent in the Army's consideration of alternative scenarios. For example, Army officials said that mission impact and operational considerations

were key in their analysis of the ATCOM and other leases. The conclusion reached was that affected operational efficiencies would be optimized through the ATCOM realignment. Also, Army officials indicated that consideration regarding the ability of the receiving installation to accommodate ATCOM (availability and condition of land and facilities) at both the existing and potential receiving locations was also necessary in reaching the decision that this lease could be vacated. Data regarding the ability to expand, and costs at the receiving and losing locations, was also available for consideration.

The Army's COBRA analysis did not take into consideration costs to GSA in this realignment proposal; however, the precise cost to the government is not clear given the uncertainty over future use of the vacated space. Also, see our response to question 6 under the Army portion of these Q&As.

QUESTIONS FROM CONGRESSMAN GERRY E. STUDDS

Questions 1 and 2: In recommending NAS South Weymouth for closure, the Navy has apparently overlooked two facilities (NAS Atlanta and NAS Fort Worth) with a lower "military value," according to the Navy's own criteria. In the case of NAS Atlanta--which is significantly lower in military value than South Weymouth and was initially considered for closure--the Navy has argued that the area is "rich in demographics" and should remain open. Yet the Navy's own Military Value matrix for reserve Air Stations rates NAS Atlanta last and NAS South Weymouth first in demographics.

In its 1993 report to the BRAC, the GAO identified a "problem" with the Navy's process in instances when "a base recommended for closure, even though its military value was rated higher than bases that remained open." I see no reason that these concerns would not be relevant to the Navy in 1995. While the GAO's 1995 report describes the Navy's recommendations as "generally sound," does the GAO continue to view the Navy's disregard for military value--particularly in the case of South Weymouth--as a problem in its decision-making process?

Answer: The goal of the Navy's 1995 BRAC process, as in the 1993 round, was to reduce excess capacity and maintain average military value across each subcategory of activity. This approach gave rise to instances where activities with higher military value were recommended for closure over activities with lower military value in their respective subcategories. The recommendation to close NAS South Weymouth is such an example.

The Navy's military value analysis is the second step in what is, essentially, a four step process: (1) capacity analysis, (2) military value analysis, (3) configuration analysis, and (4) the derivation and assessment of BRAC alternatives/scenarios. The

determination of relative military values for each activity in a subcategory was not the sole determinant for closing activities. The results of capacity and military value analyses were used in a configuration analysis to identify potential BRAC actions.

In the case of reserve air stations, the Navy's configuration analysis indicated the possibility of closing NAS Atlanta. However, the results of the Navy's analysis of operational air stations left NAS Brunswick, Maine, open, after CINCLANT indicated that the Navy should retain an operational air station north of Norfolk. This permitted the BSEC to consider another reserve air station option. By closing NAS South Weymouth and moving any necessary aircraft and functions to NAS Brunswick, which the Navy determined to be a more capable air station, excess capacity was reduced in both operational and reserve air station subcategories, while not adversely affecting demographic concerns in that area. The resulting average military value for operational air stations increased, while the reserve air station subcategory essentially maintained its average value, dropping only a few decimal points (61.12 vice 61.16).

QUESTIONS FROM CONGRESSMAN HAROLD FORD, SENATOR BILL FRIST, AND SENATOR FRED THOMPSON

Question 1: The Department of Defense and Defense Logistics Agency created a 1,000 point ranking system to evaluate its distribution depots. Within this 1,000 point system, only 20 points related to a depot's transportation capabilities. Does GAO believe it was appropriate to allocate only 2 percent of the evaluation of a distribution depot to the issue of transportation capabilities?

Answer: DLA's methodology provided that a total of 90 points could be awarded for transportation related questions in its military value analysis of stand-alone depots. Of those 90 points, 60 points were possible based on a depot's transportation capabilities, and 30 points were possible based on a depot's transportation cost operational efficiency. Had a greater number of points been assigned to these questions, the number of points awarded would still be proportional to the points awarded to other depots. The points each depot received was based proportionally on the number of points awarded to the depot which had the greatest transportation capability or the lowest transportation cost. An important aspect of the BRAC process, one enhancing its credibility, was the assignment of values and weights before data is collected and evaluated.

Question 2: How can the GAO validate DLA's procedures when the installation military value rankings placed the oldest depot with the highest real property maintenance as the top installation?

Shouldn't this result have sent a red flag to the GAO that mission scope was skewing the military value analysis?

Answer: In terms of real property maintenance, DLA's operational efficiency section of the stand-alone depot military value analysis shows that the San Joaquin depot (Tracy/Sharpe, California) had the highest real property maintenance cost and was awarded the least number of points. That analysis also showed that the Ogden depot received the greatest points, while the Columbus depot (DLA's oldest depot), rated second best. Memphis rated third.

Mission scope, by itself, was not the basis on which DLA made its decisions. DLA's excess capacity and military value analyses of installations and depots, in conjunction with other analytical tools, were considered by DLA in making its closure and realignment recommendations. At the same time, since mission scope was one of four measures of merit which were considered in the installation military value analysis, it is not clear to us that mission scope skewed the installation military value analysis results, or the final decision.

The Richmond installation was assessed as having the best facility condition and therefore received the greatest number of points; the New Cumberland facility received the least number of points. In addition, in the stand-alone depot military value analysis, the Richmond depot was rated the best in terms of facilities, while the Susquehanna depot (New Cumberland, Pennsylvania) scored the fewest points.

Question 3: Did the GAO analyze DOD's process of selecting DLA depots for closure that are collocated with other service branch bases?

Answer: GAO analyzed DLA's overall process for selecting activities for BRAC action, including its process for selecting collocated depots for closure.

QUESTIONS FROM CONGRESSMAN WALLY HERGER

Question 1: Do you know of any instances, other than Sierra Army Depot, where a Member of Congress needed to resort to FOIA in order to obtain supposedly public information from the Army?

Answer: We did not examine Freedom of Information Act (FOIA) issues in connection with the BRAC process and, therefore, do not know the extent to which this situation occurred.

Question 2: Please confirm that GAO report statements cited below apply in the case of Sierra Army Depot:

(a) "GAO has identified a number of instances where projected savings from base closures and realignments may fluctuate or be uncertain for a variety of reasons. They include uncertainties over future locations of activities that must move from installations being closed or realigned and errors in standard cost factors used in the services' analyses." (p.5)

Answer: This statement refers to possible changes to BRAC savings that could affect a number of BRAC recommendations. Although not specifically directed at, it potentially could affect Sierra, to the extent changes in projected cost and savings data are determined to be required.

(b) "The other realignment...is caught up in debate over the accuracy of some data." (p. 75)

Answer: This statement does apply to Sierra.

(c) "Also, some questions were raised concerning the accuracy of some data used in the military value analysis for ammunition storage installations." (p.77)

Answer: The data in question applies to Sierra as well as other ammunition storage installations. For example, corrections to the other installations' data could affect the installation value of Sierra relative to other ammunition depots.

(d) "Community concerns about the development of military value for ammunition storage installations centered around the accuracy of some of the information used to score all of the installations. Specifically data in two of the attributes were questioned-- ammunition storage and total buildable acres...Our follow-up and that of the Army's seem to support the existence of some data inaccuracies; however, the correct information has not yet been ascertained...The Commission may want to ensure that the corrected data has been obtained and assessed prior to making a final decision on this recommendation." (p.78)

Answer: As indicated above, use of correct data for all ammunition depots is important to individual ammunition depot installation values and also to confirming the relative ranking of each facility, including Sierra.

(e) "Also, some questions remain about the accuracy of some data used in assessing Army ammunition depots. Therefore, we recommend that the Commission ensure that the Army's ammunition depot recommendations are based upon accurate and consistent information and that corrected data would not materially affect military value assessments and final recommendations." (p.86)

Answer: As stated above, use of correct data for all ammunition depots is important to individual ammunition depot installation

Answer: A key objective of the BRAC process is to eliminate excess infrastructure. Many facilities could be more fully utilized by shifting around workloads or more fully utilizing those facilities, but this would not necessarily lead to infrastructure reductions.

Question 8: Has the Army documented the fact that it can complete all demilitarization at SIAD prior to 2001? If so, why could they not complete chemical demilitarization at two regional depots within the designated timeframe?

Answer: According to Army officials, the Sierra depot stores conventional ammunition, and if funding is available, as planned, there is no reason that all conventional ammunition demilitarization at Sierra cannot be accomplished by the year 2001. If for some reason, the total demilitarization could not be accomplished at Sierra, Army officials indicate that the munitions would be moved for demilitarization to another ammunition depot. On the other hand, munitions stored at Umatilla and Pueblo are chemical and must be demilitarized in place--they are prohibited by law from being moved. In addition, incinerators must be built at those locations before the demilitarization can take place.

Question 9: Since the Army is required by law (PL 101-510, as amended) to evaluate all facilities equally for closure consideration, why were five facilities exempted early in the process (three for military value and two for inability to meet closure parameters)?

Answer: DOD components are required to include in their BRAC process installations meeting a threshold of having 300 authorized civilian personnel. This provides a baseline for ensuring that all eligible facilities are considered for closure. As the process progresses, installations are removed from consideration at various stages. In the final analysis only those Army installations identified as low in military value were selected as study candidates for closure or realignment. Regarding the two installations exempted from study because of the inability to complete any potential closure or realignment in 6 years, this decision was in keeping with a requirement of the BRAC law.

Question 10: Since GAO states in their report (p. 79) that "Army installations/facilities selected for closure or realignment generally had relatively small one-time closing costs and provided almost immediate savings after completing the closure," if it was learned that the one-time closing costs would be significantly higher and not provide the proposed long term savings, would GAO agree that a decision should be reconsidered?

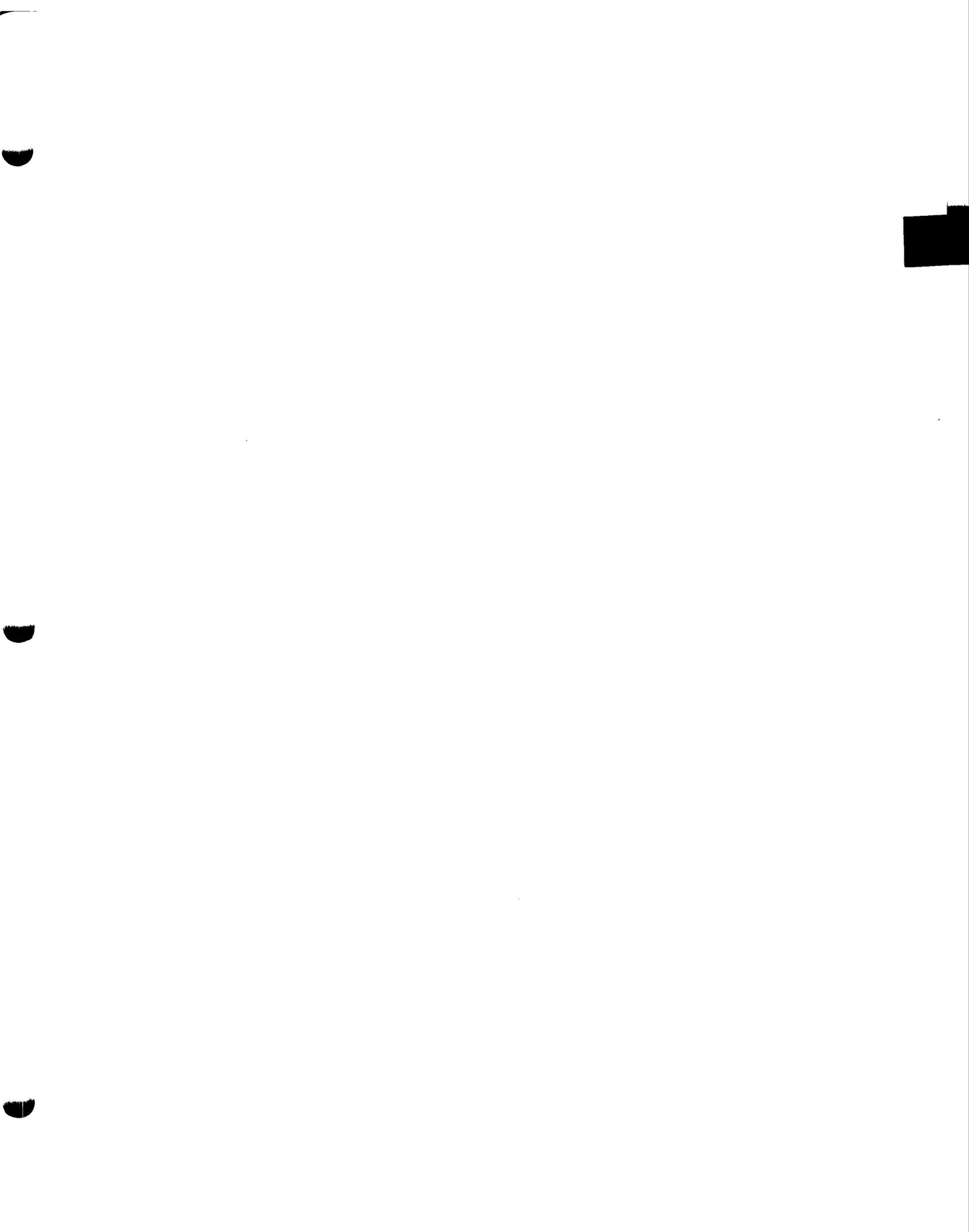
Answer: Military facilities recommended for closure and realignment varied in the extent of one-time closing costs and savings. Our report indicates that fluctuations do occur in projected costs and savings for a variety of reasons; the magnitude of such changes have to be examined on a case-by-case basis.

Question 11: Has the Army provided specific data regarding transport cost of ammunition from SIAD to destination locations?

Answer: Army officials have told us that they expect any movement of the munitions to occur through issuances to meet operational requirements rather than as part of a BRAC related move. Otherwise, Army officials indicate they expect to demilitarize much of the excess munitions at Sierra.

Question 12: Why is 5% or more unemployment produced by closure considered unacceptable in populous areas (where diversity and recovery are more likely) and a 10% unemployment result in an entire county considered acceptable? Especially since GAO indicates (p. 145) that "...there was no evidence to support OSD's assumption that economic recovery would be more difficult in a large metropolitan area than in a smaller one."

Answer: A 5 percent figure was an arbitrary ceiling established in the BRAC 1993 round. There was no ceiling established in BRAC 1995 and the decision as to excess economic impact was left to the judgment of the service secretaries or the Secretary of Defense. No Army installation was removed from BRAC consideration in 1995 because of economic impact concerns.





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

ALAN J. DIXON, CHAIRMAN

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

OPENING REMARKS OF MR. CORNELLA

**DEPOT MAINTENANCE JOINT CROSS
SERVICE GROUP**

**OUR FIRST TESTIMONY TODAY IN THE JOINT CROSS SERVICE AREA
WILL BE FROM THE DEPOT MAINTENANCE GROUP. WE ARE PLEASED TO
HAVE WITH US MAJOR GENERAL JAMES KLUGH, U.S. ARMY RETIRED, WHO
HEADED THE GROUP. GENERAL KLUGH SERVES AS THE DEPUTY UNDER
SECRETARY OF DEFENSE FOR LOGISTICS.**

**HE IS JOINED BY A DISTINGUISHED PANEL OF SENIOR PERSONNEL
FROM THE ARMY, NAVY, AIR FORCE AND DEFENSE LOGISTICS AGENCY WHO
WILL REMAIN WITH US ALL DAY FOR THE SUCCEEDING CROSS SERVICE
TESTIMONY ON PILOT TRAINING, MEDICAL SERVICES AND LABS AND TEST &
EVALUATION.**

THEY ARE:

*** BRIGADIER GENERAL JAMES E. SHANE, JR., DIRECTOR OF
MANAGEMENT, THE OFFICE OF THE CHIEF OF STAFF OF THE ARMY;**

*** MR. CHARLES NEMFAKOS, VICE CHAIRMAN, NAVY BASE STRUCTURE
EVALUATION COMMITTEE;**

*** MAJOR GENERAL JAY D. BLUME, JR., SPECIAL ASSISTANT TO THE
CHIEF OF STAFF OF THE AIR FORCE FOR BASE REALIGNMENT AND
TRANSITION; AND,**

*** MS. MARGE MCMANAMY, CHIEF OF THE DEFENSE LOGISTICS
AGENCY BRAC WORKING GROUP.**

**THERE WILL BE NO OPENING STATEMENTS, SO WE CAN PROCEED
DIRECTLY TO QUESTIONING FROM THE COMMISSIONERS.**

FIRST, HOWEVER, WOULD YOU PLEASE STAND AND BE SWORN.

**DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOU
ARE ABOUT TO GIVE BEFORE THE DEFENSE BASE CLOSURE AND
REALIGNMENT COMMISSION SHALL BE THE TRUTH, THE WHOLE TRUTH
AND NOTHING BUT THE TRUTH?**

DEPOT MAINTENANCE JOINT CROSS-SERVICE GROUPS

GENERAL QUESTIONS

1. Mr. Klugh, please explain, in general terms, the Joint Cross Service Group study of depot maintenance.

We understand capacity was one of the most significant features of your study. Please describe current excess capacity in DoD facilities in percentage terms.

What is the excess capacity by Service and by depot?

What is the impact of DoD's BRAC recommendations on this excess capacity?

What would have been the impact on excess capacity if the Joint Cross Service alternatives had been accepted?

The Air Force's elimination of excess capacity requires reengineering of the core workload. What would the Air Force's excess capacity be if the reengineering can not be accomplished?

2. Mr. Klugh, please describe the concept of "maximum potential capacity".

Does maximum potential capacity require a second shift or military construction expenditures?

3. Mr. Klugh, describe how your Joint Cross Service Group assigned functional values to each of the depots and shipyards?

When assigning workload, how did the functional value scores impact the positioning of workload?

Please describe the "centers of excellence concept".

4. Mr. Klugh, what does the DoD BRAC recommendation do to your ability to inter-service depot maintenance work in the future?

CHART 1
EXPLANATION OF 8 JOINT CROSS SERVICE GROUP PROPOSALS

**1995 DEPOT/SHIPYARD CLOSURE
AND REALIGNMENT ALTERNATIVES**

Category	DoD	Cross-Service 1 Min Sites/Max Mil Value	Cross-Service 2 Min Excess Capacity
Army Depots	(C) Red River (R) Letterkenny	(C) Red River (C) Letterkenny	(C) Red River (C) Letterkenny
Navy Shipyards	(C) Long Beach	(C) Portsmouth (C) Pearl Harbor	*(C) Long Beach *(C) Portsmouth *(C) Pearl Harbor
Navy Aviation Depots		(C) Jacksonville	(C) Jacksonville
Navy Weapon Center	(C) Crane-Louisville (R) Keyport	(C) Crane-Louisville (C) Keyport	** (C) Crane- Louisville ** (C) Keyport
Air Force Aviation	(D) San Antonio (D) Sacramento (D) Ogden (D) Warner Robins (D) Ok City	(C) San Antonio	(C) San Antonio (C) Sacramento

C = CLOSURE R = REALIGN D = DOWNSIZE * = CLOSE any 2 of 3 ** = CLOSE any 1 of 2

1. Mr. Klugh, based on extensive study, the Joint Cross Service Group indicated that up to 8 maintenance depots could be closed. This table lists the depot alternatives for closure. Please explain the basis for these alternatives.

What was the basis for the alternatives to close depots at San Antonio and Sacramento and Jacksonville, in the fixed wing aircraft area?

Did any of your analysis point to the need to close the Naval Aviation Depots at Cherry Point or North Island or the Hill, Tinker, or Warner Robins Air Logistics Centers?

CHART 2
CONSIDERATION OF AIR DEPOT CLOSURES

Air Force Depot Proposal

Cost Implications				
(\$ Millions)				
FY96-01 Net				
<u>Consolidate</u> <u>at All Depots</u>	<u>One-Time</u> <u>Costs</u>	<u>Costs</u> <u>(Savings)</u>	<u>Annual</u> <u>Savings</u>	<u>Total</u> <u>Savings*</u>
BRAC Actions	183	(139)	89	991
NON-BRAC ACTIONS	35	(488)	146	1,875
ALL ACTIONS	218	(627)	235	2,866
Alternate — Close 2 Depots (+\$600 Million Env)	1,107	(363)	161	699

*Savings in 20 year net present value

1. General Blume, when the Secretary of Defense testified before the Defense Base Closure and Realignment Commission, he showed a chart which compared the cost of downsizing Air Force depots to the cost of closing two depots.

Which two depots were represented on that chart?

2. General Blume, the Secretary of the Air Force testified to the fact that Air Force depot capacity levels indicate that the need to close 1 1/2 to 2 depots. As we know, the Air Force has determined that it is more cost effective to eliminate two "depot equivalents" through downsizing rather than two bases.

If the Air Force were to close one or two depots, which would they be and why?

3. General Blume, two years ago, the Deputy Assistant Secretary of the Air Force for installations testified to the Commission that "...if the Commission chooses to recommend a closure of a major Air Force depot this year, it should be McClellan. Not only can closure be accommodated within the DoD cost and pay-back guidelines, but it was also the lowest ranked of the five major depot bases."

If McClellan's cost to close was not prohibitive in 1993, why is it prohibitive in 1995 when cost to close is calculated to be lower than it was in 1993?

RECENT CHANGES TO AIR FORCE BRAC RECOMMENDATION

1. General Blume, the Commission staff was recently briefed on a revision to the 1 March DoD recommendation from the Air Force.

Please outline for the Commission the revision to the recommendation.

Would you please explain why the Air Force found it necessary to revise its BRAC recommendation 7 weeks into the process?

CHART 3 DOWN SIZE VS CLOSE

BRAC Depot/Shipyard History 1988 — 1995 (Recom)

Army	Navy	Air Force	Marines
■ Anniston	✕ Alameda	■ Oklahoma City	■ Albany
■ Corpus Christi	■ Cherry Point	■ Ogden	■ Barstow
✕ Lexington Bluegrass	■ Jacksonville	■ San Antonio	
✕ Letterkenny	✕ Norfolk (NAD)	■ Sacramento	
✕ Pueblo	■ North Island	■ Warner Robins	
✕ Red River	✕ Pensacola		
✕ Sacramento	■ Crane		
■ Tobyhanna	✕ Louisville		
✕ Tooele	✕ Keyport		
	■ Portsmouth		
	✕ Philadelphia		
	■ Norfolk (NSY)		
	✕ Charleston		
	■ Puget Sound		
	✕ Mare Island		
	✕ Long Beach		
	■ Pearl Harbor		
	✕ Guam		

1. Mr. Klugh, this chart depicts the BRAC history since 1988 on depots/shipyards. Prior actions have been closures, and, as this chart shows, the Air Force has elected to downsize all Air Logistics Centers (ALCs) in lieu of closure of one or two depots as recommended by the Joint Cross Service Group. Please explain to us why your group recommended closure vs. downsizing.

2. Mr. Klugh, if you were responsible for submitting a recommendation to the Defense Base Closure and Realignment Commission for removal of Navy and Air Force fixed wing aircraft maintenance depot infrastructure, would your recommendation be to close or downsize?

3. General Blume, never in the history of BRAC has the DoD recommended downsizing in place of closing a depot. Why was it not recommended to earlier Commissions by the Air Force?

4. General Blume, have you determined that the law allows BRAC funds to be expended to mothball and demolish depot space?

CHART 4
COST TO CLOSE

INDUSTRIAL/TECHNICAL SUPPORT — DEPOT Subcategory

IV/V Cost and Manpower Implications/Return on Investment

	One Time Costs (Closing)	20 Year Net Present Value	Steady State Savings	Manpower Savings	Return on Investment
Base Name	IV.1	IV.2			V
Hill AFB	1409	514	70	1450	30
Kelly AFB	653	-180	70	1492	10
McClellan AFB	514	-607	96	1756	5
Robins AFB	1011	133	75	1744	18
Tinker AFB	1312	633	56	1393	42

1. General Blume, the Air Force's 1995 Base Closure documentation included estimates of the cost to close each of the five depot installations. We note that the costs to close Kelly and McClellan were significantly less than the closure costs for the three other installations. Were the costs-to-close a significant basis for studying Kelly and McClellan as closure candidates for 11 months?

Why were the costs to close these two so much lower than the other three?
Do the costs to close include any environmental clean-up costs?

CHART 5

Comparison of Closure COBRA data from each Military Department (costs in \$M)

	Air Force Kelly AFB	Navy Long Beach	Army Red River	Army Letterkenny
ROI year	9	0	0	0
NPV	283	1,949	1,497	952
costs and savings:				
one time costs	582	75	60	50
one time savings	7	0	0	0
Steady state savings	76	131	123	78
positions:				
population	19,104	3,891	2,971	3,017
eliminated	1,245	1,697	1,861	1,287
realigned	16,415	472	1,040	803
% eliminated	7%	44%	63%	43%
% realigned	86%	12%	35%	27%

2. General Klugh, There are significant differences between the Services' COBRA estimates to close depots. For example, there are substantial differences in the percentages of people which would be moved

What is your estimate of the percentage of personnel that would move upon the closure of a depot?

Is there a difference in the number of people that would move upon a downsizing versus closure?

3. General Blume, Secretary Widnall testified that a depot closure is prohibitively expensive. We are interested in understanding the relatively high cost that you estimated for the closure of an Air Force depot.

This chart (chart 5) shows that the Air Force calculates the steady state savings from closing Kelly Air Force Base with a base population of 19,104 to be just over half of the cost of the closure of the Long Beach Naval Shipyard with a base population of 3,891.

The reason for this is that the Navy estimates that closing the Long Beach Naval Shipyard will result in the elimination of 44% of the jobs at the shipyard, while the Air Force estimates that the closure of Kelly Air Force base will result in the elimination of only 7% of the jobs at the depot and the base -- and that 16,415 of the jobs at Kelly Air Force base will be realigned to other bases, resulting in moving costs alone of \$160 million.

Why does the closure of an Air Force depot result in the elimination of such a low percentage of the jobs at the depot, particularly compared to the closure of industrial facilities in the other services?

4. General Blume, assumptions drive closing costs and savings calculations.

I understand that almost all of the savings in your depot downsizing option come from a 15 percent "reengineering factor" which assumes personnel savings of approximately 15 percent based on increased efficiency in certain depot operations as a result of the downsizing plan. Is this accurate?

5. General Blume, let's focus on three key assumptions that the Air Force made in determining the cost to close one of your depots:

-First, that only 7% of the personnel positions would be eliminated;

-Second, that the closure would take 6 years, and third, that no personnel savings would be achieved until year 6.

Changing these assumptions can have a dramatic effect on the projected savings. This chart (Chart 6) uses the Air Force COBRA and changes a few of these assumptions:

CHART 6

**Closure Sensitivity Analysis (\$M)
of Personnel Savings and Phasing**

	One-Time Cost	Steady State Savings	Net Present Value
AF Baseline 7% personnel savings; close in year 6	582	76	283
15% personnel savings; close in year 6	572	154	1,102
15% personnel savings; close phased over 4 yrs	571	154	1,523
25% personnel savings; close phased over 4 years	561	244	2,764

6. General Blume, if you assumed the same increased efficiency from a depot closure and calculated a 15% instead of a 7 % personnel savings, the one-time closure cost would be \$572 instead of \$582 million, and the annual steady state savings would be \$154 million instead of \$76 million.

Change the personnel savings to 25% -- significantly less than what the Navy calculates from Long Beach Naval Shipyard and less than half of what the Army calculates from the closure of its Red River depot -- and phase the closure over 4 years, the annual savings from closing the depot rise to \$ 244 million and the net present value rises to more than \$2.7 billion.

General Blume, what is your reaction to this analysis?

7. General Klugh, did your Joint Cross Service Group do any kind of independent analysis of the Air Force's calculation on the cost to close one of its depots? If so, did you conclude that their assumptions about positions eliminated and the time to carry out the closure were appropriate, even though they differed significantly from the estimates of the other services?

8. General Shane, please explain the Army's assumptions which drive the numbers of positions which will be moved versus realigned.

9. Mr. Nemfakos, in 1993 the Navy recommended closure of three of the six Naval Aviation Depots. When do you expect to have each of the three facilities closed?

Do you expect to attain the annual recurring savings of over \$230 million you projected in 1993 from the closure of the three Naval Aviation Depots?

10. Mr. Nemfakos, The Joint Cross Service Group offered an alternative to close the Jacksonville Aviation Depot.

Did the Navy assess this alternative?

What was the result of the assessment?

Would the Navy be able to get their engine work done if Jacksonville were to close?

Where would that work be done?

CHART 7
AIR FORCE IMPACT OF MILITARY VALUE

Air Force Tiering System Describing Military Value		
	<u>Depot tier</u>	<u>Base tier</u>
Hill	I	I
Tinker	II	I
Robins	I	II
Kelly	III	III
McClellan	II	III

1. General Blume, military value is the most important criterion to be considered when sizing the DoD infrastructure through the base closure process. The Air Force has used a tiering system in place of assigning military values. This chart shows the tiering of depot installations and depots. Please explain how these tiers were derived.

What was the basis for assigning Kelly and McClellan Air Forces Bases to "tier" 3?

What was the basis for assigning the depot at Kelly to "tier" 3?

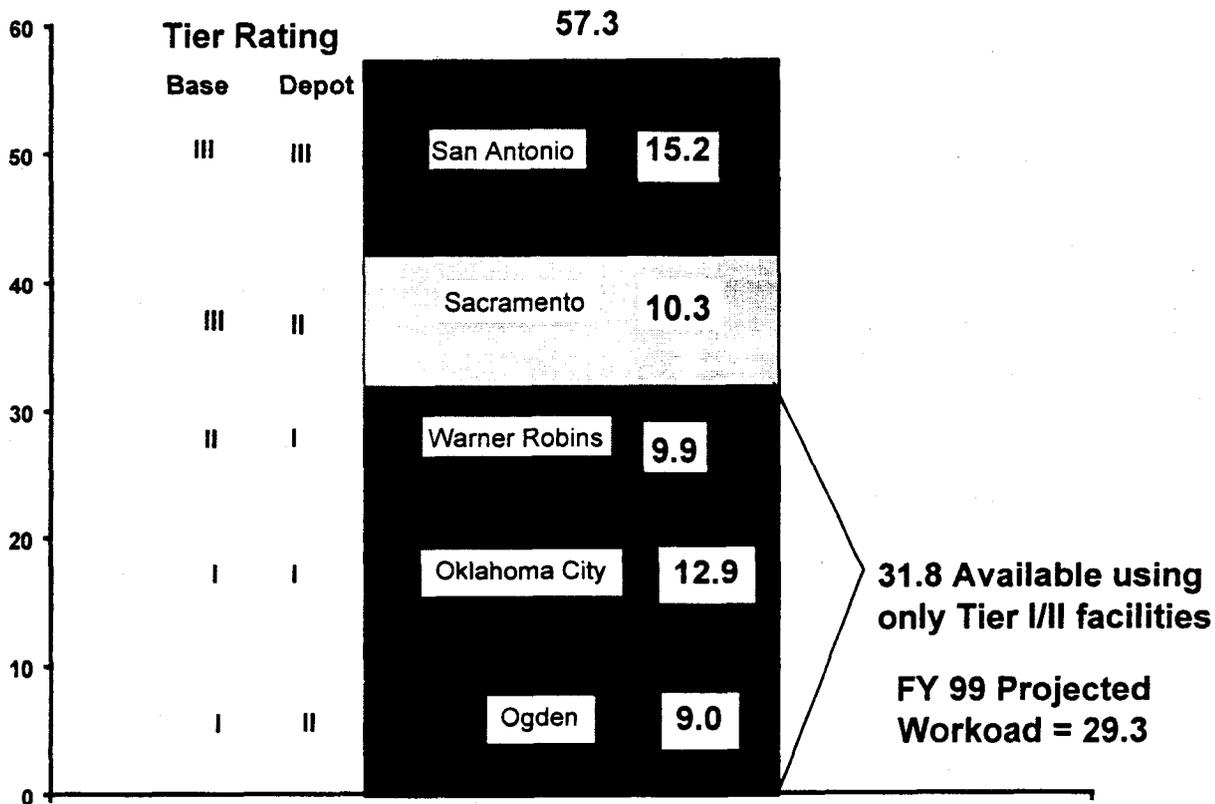
2. General Blume, the Air Force Base Closure Executive Group minutes indicate that the Air Force was studying the closure of Kelly and McClellan for 11 months. Were military value "tiers" a significant basis for studying Kelly and McClellan as closure candidates?

How did the low military values of Kelly Air Force base and McClellan Air Force base impact the Air Force's final base closure recommendations?

3. General Blume, the Air Force's depot downsizing recommendation would result in a "tier" 3 base (lowest ranking) receiving workload from "tier" 1 bases (highest ranking). What is the reason for this?

CHART 8

**Air Force Certified Maximum Potential Capacity (Single Shift)
Reported to Joint Cross Service Group (Million Hrs)**



4. General Blume, this chart (chart 8) shows a stacked bar which reflects each of the Air Force depots' maximum potential capacity. The bases are stacked according to base "tier" which is the proxy for military value. The chart demonstrates that all of the Air Force's depot maintenance workload could be performed by tier 1 and 2 installations.

This suggests that the Air Force's workload could be performed by three depots. Do you concur with this capacity analysis?

REENGINEERING

1. General Blume, all of the savings from the Air Force's BRAC recommendation to downsize all Air Force depots in place is the result of a 15 % reengineering factor.

Have the reengineering studies been performed yet?

What is the basis of the 15 % factor?

Was this based on certified data from the performing organizations?

Do your site surveys confirm this 15% productivity savings is achievable?

(If the answer is yes then Commissioner Steele or Davis could ask:)

2. General Blume, why was I told by Tinker and Robins that the 15% productivity improvement is not achievable?

MOTHBALLING AND DEMOLITION

1. General Blume, the Air Force's BRAC submission will eliminate 8.9 million of the 13.2 million hours of excess capacity, but will not eliminate or consolidate overhead structures and therefore overhead costs of the depot workload which results in higher hourly rates.

The BRAC submission equates to knocking down bedrooms and locking others when the kids go off to college, rather than moving into a smaller house.

What are the costs of demolishing 2.8 million square feet of depot space?

What are the savings?

How do savings accrue from mothballing depot space?

2. General Shane, did the Army consider downsizing depots? If not, why not?

In your view, is downsizing in place a cost effective method for sizing the depot infrastructure to meet force structure and program requirements?

3. Mr. Nemfakos, did the Navy consider downsizing maintenance facilities rather than closures? If not why not?

In your view, is downsizing in place a cost effective method for sizing the depot infrastructure to meet force structure and program requirements?

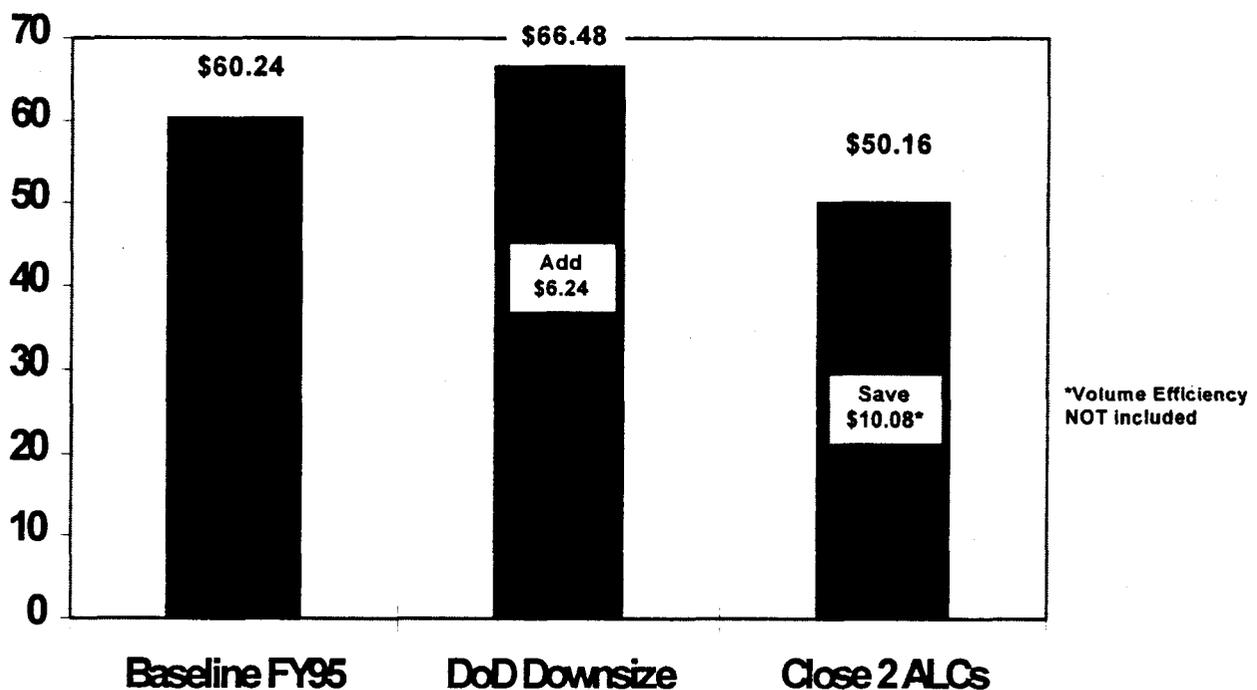
WHY THE AIR FORCE USED THE BRAC PROCESS

1. General Blume, the downsizing of ALCs would not breach the BRAC thresholds if actions were to be evenly phased over the next several years. Furthermore, if the personnel eliminations due to reengineering were subtracted from the BRAC recommendation, only one installation would have a workload adjustment which breaches the BRAC threshold.

Why did the Air Force choose to use the BRAC process if it could independently accomplish the same result?

CHART 9
REDUCTION IN DEPOT OVERHEAD COSTS

**Effect of Workload Volume
on Depot Maintenance Hourly Rate at Tinker AFB**



1. General Blume, the Air Force BRAC recommendation will not cut overhead of depots proportionately with reductions in capability. The increasing proportional size of overhead will result in increased depot labor hour costs. For example, the labor hour rate will increase \$6 per hour at the Tinker depot under your depot downsizing proposal. (chart 9)

In addition to the BRAC proposals to downsizing in place, mothballing and demolition of depot space, will the Air Force take any steps to reduce depot overhead to make the depot system more efficient?

Shouldn't the Department eliminate at least proportional overhead and administrative costs when eliminating industrial capability? In other words, cutting the fat and muscle proportionately?

2. Mr. Nemfakos, the Navy has had considerable experience closing aviation depots.

How have the closures of Naval Aviation depots impacted the proportion of overhead vs. operating costs?

SHIPYARD ISSUES

1. Mr. Klugh, part of Navy's rationale for retaining Portsmouth NSY is its East Coast location. In moving shipyard work, did the Joint Cross Service Group account for the benefit of East Coast/ West Coast capabilities?

Did the JCSG take dry-dock capabilities and capacity into account?

2. Mr. Klugh, Cross Service Alternative Two (chart 1) proposes the closure of Long Beach and either Pearl Harbor or Portsmouth. Did the Joint Cross Service Group view Pearl Harbor and Portsmouth as equivalent in terms of capability as well as capacity?

3. Mr. Klugh, the COBRA for the shipyard scenario in Cross Service Alternative One indicates that virtually all of Portsmouth's workload can be moved to Norfolk for a total cost of \$100 million. Since the COBRA predicts annual recurring savings from closing Portsmouth of \$150 million, does this suggest that current and predicted shipyard workload does not justify keeping Portsmouth open?

4. Mr. Nemfakos considering this assessment about Portsmouth's workload and the projected annual recurring savings of \$150 million, why didn't the Navy propose closing Portsmouth?

5. Mr. Nemfakos, the Navy says that "continuing decreases in force structure eliminates the need to retain the capacity to dry-dock large naval vessels for emergent requirements." How many large-decked ships (CV, CVN, LHA & LHD) are in the Pacific Fleet now? How many less are expected to be in the Pacific Fleet in 2001?

6. Mr. Nemfakos, currently, the Navy is creating the capability for refueling 688-class submarines at Norfolk, Pearl Harbor, and Puget Sound Naval Shipyards. How many 688's are slated to be refueled, and at which yards? When will these three shipyards have the capability to refuel 686-class submarines? How much is it costing to facilitate Pearl Harbor to perform these refueling, including training and military construction?

7. Mr. Nemfakos, in determining nuclear capacity, did the Navy consider the maintenance capacity at Newport News Shipbuilding and Electric Boat?

Considering that the Navy is performing carrier refueling in the private sector, what is the potential for private nuclear shipyards to perform submarine refueling?

8. Mr. Klugh, in both alternatives one and two, (chart 1) specific workload transfers are identified for each commodity group except for sea systems. In that case, the alternative states, "Consolidate as possible within the Department of the Navy." Why was the sea systems commodity area proposal not specific concerning workload distribution?

ARMY DEPOTS

1. General Shane, the Army studied two ground vehicle depots for possible closure, Red River and Letterkenny depots. Tobyhanna Army Depot was not studied for closure because it was considered a unique, one of a kind, depot for the repair of electronics components.

In terms of buildings and acres, Letterkenny is a considerably larger depot. Did the Army look at possibly closing Tobyhanna Army Depot and transferring the electronics workload to Letterkenny, a facility that is partly focused on electronics and partly focused on ground vehicle maintenance?

2. General Shane, your recommendation to transfer missile work to Tobyhanna require added costs to transport guidance and control sections between Letterkenny and Tobyhanna. Were these costs included in the Army's COBRA analysis?

3. General Shane, in determining military value, why did the Army place heavy emphasis on capacity, which is based on the number of work stations to produce a particular workload, and relatively less emphasis on building square footage and expandable acreage?

Were other options considered as an alternative to the Letterkenny / Tobyhanna scenario recommended by DoD? For example, did the Army look at sending all of the tactical missile storage and maintenance workload to Hill Air Force Base and sending the residual conventional ammunition storage mission to other DoD storage locations? This would result in a total base closure, rather than a partial realignment.

4. General Shane, the Army plans to transfer ground vehicle workload from Letterkenny to Anniston, but none of the personnel authorizations would be realigned. How can this work be accomplished at Anniston with no additional people?

5. Mr. Klugh, why did the Cross Service initially recommend the decentralization of tactical missile maintenance and then later "approve" the Army plan to consolidate at Tobyhanna?

Did the JCSG consider the centralization of tactical missile maintenance at Hill Air Force Base? If so, what were the findings?

Was Anniston Army depot considered for missile maintenance consolidation?

6. Mr. Klugh, we understand the Joint Cross Service Group for Depot Maintenance looked at alternatives for accommodating tactical missile maintenance at three sites -- Barstow, Hill, and Anniston-- if Letterkenny were approved for closure.

In your view what are the advantages and disadvantage of consolidating like workloads at one single location versus the three locations suggested by your joint group?

Do you believe the Army's proposal to transfer guidance and control work to Tobyhanna, and leaving the ammunition and missile storage mission at Letterkenny is the best alternative?

7. General Shane, did the Army look at moving the Tobyhanna Depot to Letterkenny? If so, what were the results? Do you believe this would be a good idea?

NAVAL WARFARE CENTERS

1. Mr. Nemfakos, when did you first hear of the proposal to privatize the Naval Surface Warfare detachment at Louisville?

Did you consider the privatization proposal when you wrote the language recommending closure of the Naval Surface Warfare detachment at Louisville?

What do you think of this privatization proposal?

Have you done a COBRA, or other analysis, to examine the economics of the proposal?

Do you believe it is possible to evaluate the proposal without including the changes that could be made at the Government Owned-Contractor Operated (GOCO) facilities in Minneapolis and Tucson?

2. Mr. Nemfakos, has the Navy reviewed the community proposal for the privatization of Indianapolis Naval Air Warfare Center? Please comment on the Navy's current assessment of the proposal.

Does the Navy's rejection of a proposed commercial and government use of the Propeller Shop and Foundry in Philadelphia relate to the potential for the Indianapolis proposal?

3. Mr. Nemfakos, the General Accounting Office testimony this morning recommended that the Commission thoroughly examine the basis for exclusions to the cost and savings data associated with recommendations for Naval Air Warfare Centers at Louisville, Indianapolis and Lakehurst. Please comment on the issue.

4. Mr. Nemfakos, did the Navy consider consolidating plating operations at Louisville's new \$36 million modern plating facility?

5. Mr. Nemfakos, also during the Commission's visit to Louisville Naval Warfare Center, we were given documents that claim the Navy's recommendation does not include many costs to implement this recommendation. These excluded costs total \$240.4 million, and are listed on chart #10. Could you please comment on these costs?

CHART 10

Data Call Area	Items Excluded	Costs Excluded
One Time Unique	CIWS Overhaul at crane	\$48,600,000
Net Mission Costs	Depot Transitional costs to sustain fleet/workforce readiness	\$45,370,000
Mission Costs	Increase costs due to stabilized rate at Norfolk Naval Shipyard	\$29,120,000

6. Mr. Nemfakos, regarding the Naval Air Warfare Center in Indianapolis, could you explain why the Navy gave this installation a 0 in the Military Value category for integrated capabilities?

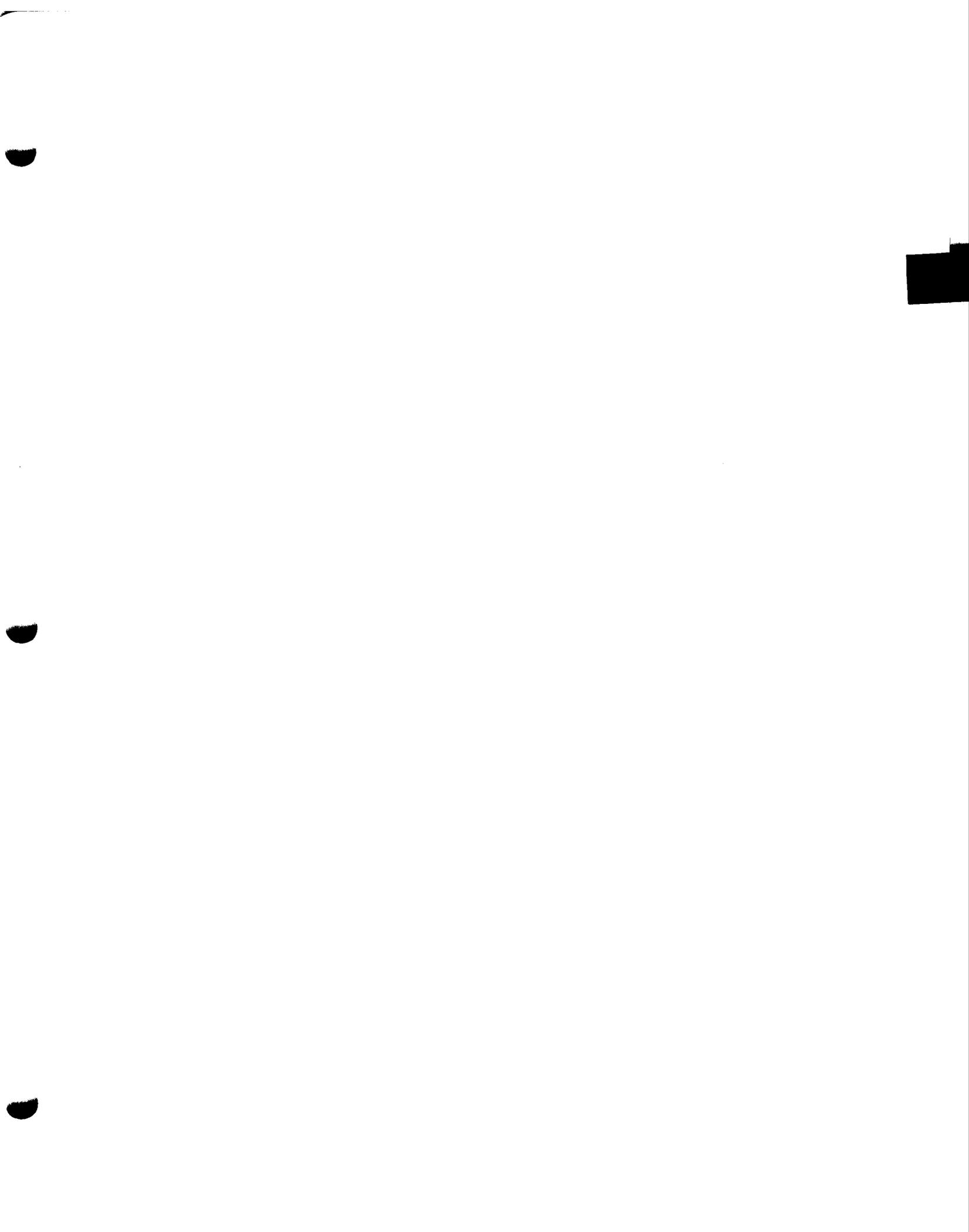
7. Mr. Nemfakos, during the Commission's recent visit to the Naval Air Warfare Center in Indianapolis, we were shown the systems design facility for the EP-3 and ES-3 aircraft. We were told by the Naval Air Warfare Center that the cost to relocate those facilities to China Lake would be \$30 million. Could you please explain why the Navy only provided \$1.17 million for Military Construction at China Lake to accommodate these facilities?

NAVAL AVIATION DEPOTS

1. Mr. Klugh, your Cross Service team recommended the closure of Jacksonville Navy Aviation Depot. Where was their engine work to be done under your proposal?

Do you still support this proposed alternative?

2. Mr. Nemfakos, the Navy's configuration analysis did not result in a scenario that closed a complete Naval Aviation Depot. Did the Navy investigate any realignment scenarios that, through interservicing, would have reduced the substantial overcapacity for component and engine workload?





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

ALAN J. DIXON, CHAIRMAN

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

OPENING REMARKS OF GENERAL DAVIS

UPT JOINT CROSS SERVICE GROUP

GOOD AFTERNOON, LADIES AND GENTLEMEN AND WELCOME TO OUR AFTERNOON SESSION. I AM GENERAL J.B. DAVIS AND IT IS MY HONOR TO CHAIR THIS PORTION OF THE HEARING, WHICH WILL HEAR TESTIMONY FROM THE UNDERGRADUATE PILOT TRAINING JOINT CROSS SERVICE GROUP.

WE ARE JOINED BY MR. LOUIS C. FINCH, DEPUTY UNDER SECRETARY OF DEFENSE FOR READINESS, WHO HEADED THE UPT GROUP, AND BY OUR SENIOR DEFENSE PERSONNEL FROM THIS MORNING: GENERAL SHANE, GENERAL BLUME, MR. NEMFAKOS AND MS. MCMANAMY.

AGAIN, THERE WILL BE NO OPENING STATEMENTS, AND WE CAN BEGIN AS SOON AS I HAVE SWORN IN MR. FINCH, AND ANY OTHER BACKUP WITNESSES WHO MAY BE CALLED UPON TO ANSWER QUESTIONS DURING THIS PANEL.

**DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOU
ARE ABOUT TO GIVE BEFORE THE DEFENSE BASE CLOSURE AND
REALIGNMENT COMMISSION SHALL BE THE TRUTH, THE WHOLE TRUTH
AND NOTHING BUT THE TRUTH?**

**UNDERGRADUATE PILOT TRAINING (UPT)
JOINT CROSS-SERVICE GROUP**

PROCESS

1) Mr. Finch, did the Cross-Service analysis directed by the Secretary of Defense take place in the UPT-Joint Cross-Service Group in a manner sufficient to yield a joint result, and to provide savings due to the elimination of unnecessary DoD capacity in the final recommendations by the Air Force and the Navy? ✓

JB

2) Mr. Finch, the scope of analysis chosen by the UPT-Joint Cross-Service Group was as follows:

JB

“Installations in the UPT category include all DoD flight programs which support and facilitate selection and training of pilots, naval flight officers and navigators to the point of awarding ‘Wings.’”

This scope includes fixed and rotary wing training of all officer and enlisted student pilots, naval flight officers and navigators. Did you find the scope of UPT training programs, installations and student types you chose to be either too broad or not broad enough? ✓

3) Mr. Finch, **CHART 1** shows the 10 functional areas selected for analysis by the UPT-Joint Cross-Service Group. Please discuss how they were determined.

JB

Flight Screening	Advanced Maritime/Intermediate E-2/C-2
Primary Pilot	Helicopter
Airlift/Tanker	Primary and Intermediate Naval Flight Officer
Advanced Bomber/Fighter	Advanced Naval Flight Officer Strike
Strike/Advanced E-2/C-2	Advanced Naval Flight Officer Panel

FUNCTIONAL AREAS

UPT-Joint Cross-Service Group

- Flight Screening
- Primary Pilot
- Airlift/Tanker
- Advanced Bomber/
Fighter
- Strike/
Advanced E-2/C-2
- Advanced Maritime/
Intermediate E-2/C-2
- Helicopter
- Primary & Intermed.
Naval Flight Officer
- Advanced Naval
Flight Officer Strike
- Advanced Naval
Flight Officer Panel

4. Mr. Finch, it is our understanding that the joint Air Force/Navy plan for UPT has not yet received final approval. Did the UPT-Joint Cross-Service Group consider this draft plan in its analysis? If this plan had been approved, would the results of your analysis have been different?

JVB

The draft plan assumes that the Air Force will be moving toward more single function training bases, similar to some of the Navy's training bases. With this in mind, please comment on the appropriateness of your use of an average of functional values for multiple training missions to determine a base's military value in this round of closures.

LINEAR PROGRAMMING OPTIMIZATION MODEL

W.
Steele
Using
Title
COMBOS/
???

1. Mr. Finch, your optimization analysis apparently placed primary emphasis on the installation military value data provided to you by the services, and less emphasis on the functional values developed by the UPT-Joint Cross-Service Group.

Please explain the reasoning for this approach?

2. Mr. Finch, your Joint Cross-Service Group minutes of March 24, 1994, state that the UPT category is largely installation oriented. If the value of a UPT base is best reflected in its functional rather than military value, why didn't you base your alternatives on model output which maximized functional value unconstrained by installation military value?

Since there is a direct correlation between the Joint Cross-Service Group's functional value rating and the Air Force's determination of military value, didn't the use of both functional and military value in the model simply increase the impact of functional value in the result?

3. General Blume, in your capacity as Co-Chairman of the Base Closure Executive Group (BCEG), did you agree with the UPT-Joint Cross-Service Group's selection and use of functional areas?

In what areas do you disagree with the method of their analysis?

Since the Air Force relied so heavily on the results of the Joint Cross-Service Group's computer model, did you analyze the model for calculation errors?

4. General Blume/Mr. Nemfakos, your Service recommendations used your own BRAC process as well as non-BRAC policy decisions to chose which UPT bases to close or realign. Why didn't your recommendations necessarily reflect the high functional value scores from the UPT-Joint Cross-Service Group?

5. Gen Blume, **CHART 2** shows the average functional value for each Air Force UPT base (the Reese score is adjusted based on your recent memo to us).

Columbus AFB	6.74
Vance AFB	6.67
Randolph AFB	6.53
Laughlin AFB	6.50
Reese AFB	6.22

I understand the Air Force Base Closure Executive Group (BCEG) used the functional values from the UPT-Joint Cross-Service Group. As shown on **CHART 3**, these averages were used to find military value by performing a standard deviation analysis to assign a color "Stop Light" code to Criteria I, "Flying Mission Evaluation." All eight criteria were then considered to derive an overall Air Force ranking: the result was Tier I for Columbus, Laughlin, Randolph, and Vance, and Tier III for Reese.

Why didn't the Air Force simply use the functional value for the training that is actually accomplished at each specific UPT base to determine its score? Would the result have been different?

6. Mr. Finch, did the UPT-Joint Cross-Service Group run any excursions using the Linear Programming Optimization Model, such as the ones shown on **CHART 4**:

- a. Examining only Air Force Bases;
- b. Examining only Naval Air Stations;
- c. Excluding flight screening;
- d. Excluding Navy-unique functional areas
- e. Excluding Air Force-unique functional areas
- f. Changing the weights on various factors, such as airspace?

What would the results be if these excursions were run?

AVERAGE FUNCTIONAL VALUES

Air Force UPT Bases

<u>Air Force Base</u>	<u>Functional Value</u>
• Columbus AFB	6.74
• Vance AFB	6.67
• Randolph AFB	6.53
• Laughlin AFB	6.50
• Reese AFB	6.22

UPT Criterion | Color

Air Force BCEG

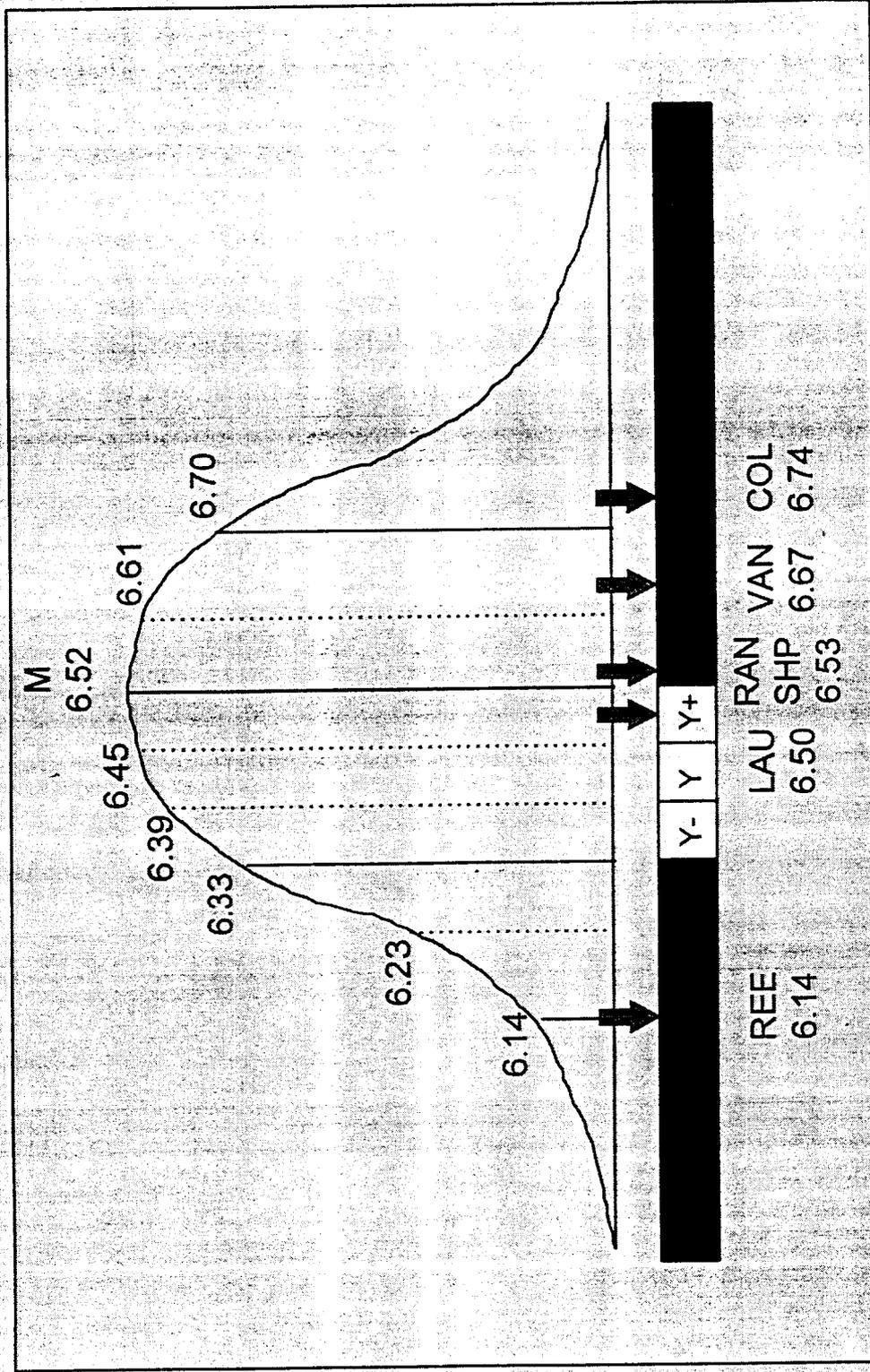


CHART 3

Defense Base Closure and Realignment Commission

LINEAR PROGRAMMING MODEL

Excursions

- Air Force Bases only
- Naval Air Stations only
- Exclude Flight Screening
- Exclude Navy-unique Functional Areas
- Exclude Air Force-unique Functional Areas
- Change Weights on various factors

CAPACITY ANALYSIS

1. Mr. Finch, what were the options you considered for measuring capacity, and why did you choose the methods you did?
2. Mr. Nemfakos, what range of capacity requirements above the planned Pilot Training Rate (PTR) was used in your analysis to determine the viability of a proposed closure or realignment scenario? For example, did you test the ability of the remaining bases to meet a 10 or 20% increase in Pilot Training Rate (PTR)?
3. Mr. Finch, did your capacity analysis account for factors that influence capacity but are not readily apparent, such as:
 - a. Aircraft availability;
 - b. Instructor pilot shortages;
 - c. Delays of Primary student graduates feeding into the next level;
 - d. Weather; and
 - e. Periodic runway maintenance?

COX

FIAA??
Record??
see transcript

The effectiveness of a commander at one base may be greater than that at another in dealing with these limitations. How did your capacity analysis account for this intangible and otherwise unquantifiable factor?

4. Mr. Finch, a separate functional value for the Air Force's post-UPT Introduction to Fighter Fundamentals (IFF) training was not included among the 10 functional areas selected for assessing the overall functional value of each UPT-category base.

Even though it is conducted after "Wings" are awarded, IFF is conducted at a UPT base, consumes capacity, and is similar in content to training events contained within the latter stages of the Navy's Strike Training syllabus.

Why didn't the UPT-Joint Cross-Service Group include IFF as an additional functional area?

5. General Blume, did the Air Force consider transferring the Introduction to Fighter Fundamentals training from Columbus AFB to another location such as Luke AFB in order to increase the capacity to do other training at Columbus?

6. Mr. Finch, in the consideration of training airspace for both capacity analysis and functional value, the UPT-Joint Cross-Service Group methodology permitted a base to claim credit for large sectors of airspace so long as any portion of it was within 100 nautical miles of the base. For bases near the Gulf of Mexico, this meant credit for huge over-water sectors.

Both Air Force and Navy UPT programs train predominantly over land. This is to permit such over-land flight training events as ground reference maneuvers and low level navigation training. Since credit for over-water airspace is not really relevant to actual UPT practice, doesn't giving credit for large blocks of over-water airspace skew the results in favor of coastal bases?

7. Mr. Finch, did either the Services or the UPT-Joint Cross-Service Group consider the impact of contracting some UPT functional training areas to outside sources?

8. Mr. Finch, by closing NAS Meridian and Reese AFB will the Navy and Air Force have sufficient capacity remaining to perform all UPT requirements?

Will sufficient capacity remain to accommodate a surge?

9. Mr. Nemfakos, closing NAS Meridian puts 'all of your eggs in one basket' by now only having NAS Kingsville for strike training. Can Kingsville satisfy all of your UPT requirements and still leave room for a surge?

10. General Blume, does closing Reese AFB leave sufficient capacity in the UPT area to provide for surge capability in pilot training?

HELICOPTER TRAINING

1. Mr. Finch, all of your alternatives move the Navy's helicopter training to Fort Rucker. There are several different ways to implement this alternative. For example, the Navy could retain their current helicopter training process and be collocated at Fort Rucker as an Army tenant; or the Navy's pilots could be integrated into the Army training through a consolidation.

Did the Joint Cross Service Group consider the issue of consolidation vs. collocation when developing its alternatives?

2. Mr. Finch, the Navy responded to your alternatives that closed Whiting Field with COBRA analyses that showed a high cost of implementing the movement of primary training to Naval Air Station Pensacola and helicopter training to Fort Rucker.

Did the UPT-Joint Cross Service Group look at variations to this scenario, such as the movement of helicopter training to Fort Rucker with primary training remaining at Whiting Field?

3. Mr. Nemfakos, would moving helicopter training out of Whiting Field help the Navy meet its requirement for outlying fields for primary training?

Does your answer change when considering the transition to any of the Joint Primary Aircraft Training System (JPATS) aircraft?

4. Mr. Nemfakos, the Navy Base Structure Evaluation Committee (BSEC) record states that the reason for rejecting the movement of helicopter training to Fort Rucker is the high one-time cost and long return on investment.

Did operational concerns also enter into this decision or was it strictly an economic decision?

REESE AFB

1. General Blume, please summarize the main reasons why the Base Closure Executive Group (BCEG) choose Reese AFB to close?

2. General Blume, the Lubbock, Texas, community offered to purchase and then lease back to the Air Force Reese AFB family housing as well as a 40,000 square foot hangar at Lubbock International Airport. Do these offers provide a favorable opportunity for the Air Force, and what is the status of your review?

Cox
Bidding
WAR

3. General Blume, if Reese AFB is closed, where is the Air Force planning to transfer joint Air Force and Navy primary training?

4. General Blume, several issues have been raised regarding the accuracy of airspace data reported in the base questionnaires for UPT bases.

Since errors were discovered in the data for both Reese and Vance, has the Air Force reviewed the data for the other UPT bases?

Reviewed only where there were errors. Reese only

Why was the quantity of low level Military Training Routes available for training a measure of merit instead of simple sufficiency?

* In your view, what is the best way to judge the quality of a base's airspace, for example:

- a. Functional area (primary versus strike and bomber/fighter);
- b. Use versus control; or
- c. Potential versus actual use?

5. General Blume, other UPT bases own or control more airspace than Reese AFB, but much of this airspace is not necessarily usable for UPT activities. Was Reese AFB down-graded because it lacks actual ownership and control of required airspace--even though access to the airspace it uses for UPT training activities is unimpeded and lacks any encroachment problems?

AS

? was Not Answered

6. General Blume, although Reese contains a smaller volume of airspace, its proximity to this airspace is less than some other UPT bases. Why did the Air Force measure the distance to the leading edge of available training airspace rather than to its geographic center? Wouldn't this more properly reflect actual flight training practice?

AL

7. General Blume, I have several questions relating to the weather.

AL

Why was percent of time the ceiling and visibility are better than 1000 feet and 3 miles given any weight in the analysis when it is 1500 feet and 3 miles that represents a key weather decision factor in conducting Air Force flight training operations?

Defer
Record

werd (talked on THIS)

In tracking weather attrition, factors such as actual attrition experience, cancellations due to forecast icing conditions, and the occurrence of crosswinds out of limits can be used. Why was so much weight placed on crosswinds rather than some of these other factors in the UPT-Joint Cross-Service Group functional value analysis?

The T-38 attrition rate planning factor at Reese is 28 percent compared to 17 percent for the T-1. Since the T-1 factor is currently in use at Reese, why did the UPT-Joint Cross-Service Group use the T-38 instead of the T-1 planning factor in its functional value analysis?

8. Mr. Finch, why did the UPT-Joint Cross-Service Group functional analysis only measure adequacy of housing and not whether it met Air Force "Whole House" standards, a superior method for measuring the condition and future cost requirements of military family housing?

AL

9. General Blume, a lot has been learned about conducting joint primary training at Reese AFB. How was this experience factored, weighted, or considered in the analysis to close a UPT base?

Record

NAVY ISSUES

1. Mr. Nemfakos, please summarize the main reasons why the Base Structure Evaluation Committee (BSEC) choose NAS Meridian to close?
2. Mr. Nemfakos, are the flight operations per strike Pilot Training Rate (PTR) at NAS Meridian and NAS Kingsville that were used in your capacity analysis the same? Please explain any differences.

What is the current operations per strike Pilot Training Rate at NAS Kingsville? How does this compare with the figure used to determine strike Pilot Training Rate capacity at NAS Kingsville?

3. Mr. Nemfakos, to what extent was the Navy's determination that a single intermediate/advanced strike UPT base contained sufficient capacity to conduct training to support the strike Pilot Training Rate (PTR) in the future and under surge operations based upon the availability of NAS Corpus Christi as an outlying field?

What is the maximum strike Pilot Training Rate (PTR) that NAS Kingsville could support with both Outlying Field (OLF) Orange Grove and NAS Corpus Christi available as outlying fields?

To what extent would the strike training capacity of NAS Kingsville be impacted if NAS Corpus Christi was not available?

4. Mr. Finch, please discuss the process used to analyze a potential NAS Meridian/Columbus AFB complex.

What alternatives or "strawmen" did the UPT-Joint Cross-Service Group consider?

What COBRA runs were performed to assess a potential NAS Meridian/Columbus AFB complex?

What cost advantages were considered (for example, NAS Meridian and Columbus AFB using joint targets and outlying fields and sharing excess capacity during runway maintenance)?

5. Mr. Nemfakos, if the redirect of mine warfare helicopter assets to NAS Corpus Christi not approved, what impact would that have on the operations per day available for pilot training at Corpus Christi?

How much do other flight operations at Corpus Christi reduce daily operations available for pilot training?

FLIGHT SCREENING AND
JOINT PRIMARY AIRCRAFT TRAINING SYSTEM (JPATS)

1. Mr. Finch, will Joint Primary Aircraft Training System (JPATS) increase or decrease the number of bases required for UPT training?

2. Mr. Finch, what was the impact of Joint Primary Aircraft Training System (JPATS)-related issues on the group's assessment of functional value?

What specific facility and airspace requirements were used to determine Joint Primary Aircraft Training System (JPATS) functional values?

3. Mr. Finch, I understand the Air Force operates a flight screening program to identify suitable student pilot candidates for UPT. The Navy screens by means other than a flight program. The Air Force contended that including Flight Screening within the scope of the UPT-Joint Cross-Service Group would unnecessarily complicate the analysis of UPT base capacity and functional value.

ALL

The UPT-Joint Cross-Service Group concluded, however, that since Flight Screening reduces attrition in the Primary UPT phase, it does have an impact on UPT capacity, and was included.

In the alternatives produced by the computer model, the Flight Screening function was moved out of Hondo and the Air Force Academy. Your group, however, chose to disregard this result.

How does the functional value analysis of Flight Screening help distinguish the relative merits of UPT bases when the Air Force has no intent to conduct Flight Screening at a UPT base?

*} more NS
A Miller
or
completes*

Why did you include Flight Screening, a function not done at UPT bases, and not include Introduction to Fighter Fundamental (IFF) training, a function that is done at UPT bases, in the scope of your analysis?

In retrospect, was the inclusion of Flight Screening a flaw in the analysis?

Merrill Beyer and Mark Pross/Air Force Team
Jim Brubaker/Navy Team/April 14, 1995

Congress of the United States

Washington, DC 20515

April 12, 1995

Please refer to the subject
when recording 950412-17

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

Dear Mr. Chairman:

As you prepare for your April 17th hearing on the Joint Cross-Service Working Groups' involvement in the Pentagon's base closure and realignment recommendations, we would be most appreciative if you would raise a number of issues with regard to the consolidation of undergraduate pilot training. Enclosed are a number of questions that you and the commissioners may want to put before the witnesses.

We applaud the addition of the joint cross-service working groups into the base closure process. They provided a new and important analysis that considered jointness and the consolidation of roles and missions. Unfortunately, in the case of undergraduate pilot training, the Pentagon acted on only half of the mission. While they agreed that introductory fixed wing training operations could be consolidated between the Air Force and the Navy, the Pentagon chose not to act on the recommendation to consolidate primary helicopter training between the Navy and the Army. We believe that this is a grave mistake, and a missed opportunity to provide the American taxpayer with significant cost savings.

Mr. Chairman, we can no longer afford unnecessary duplications in the military when more efficient and equally effective training arrangements are available. The consolidation of primary helicopter training is long overdue, and we hope that you and the other commissioners will consider this opportunity during your deliberations of the 1995 base closure process.

With best regards, we are

Sincerely yours.


TERRY EVERETT, MC


RICHARD SHELBY, USS


HOWELL HEFLIN, USS

Proposed Questions
BRAC 95 HEARING ON JOINT CROSS-SERVICE RECOMMENDATIONS
UNDERGRADUATE PILOT TRAINING

17 APRIL 1995

In November of 1994, the Joint Cross-Service Group on Undergraduate Pilot Training submitted three different alternatives for consideration by the military departments and Secretary Perry. According to documents submitted to the BRAC, each alternative reduced excess capacity while maintaining high military value. Each of the three alternatives consistently recommended consolidating all military undergraduate helicopter pilot training at Fort Rucker.

However, these recommendations were not adhered to in their entirety. Secretary Perry chose not to consolidate UHPT at Fort Rucker as recommended due to high MILCON costs associated with closing Whiting NAS. He then directed consolidating all Navy initial fixed wing training at Whiting NAS.

- Why is it that consolidation of UHPT at Rucker was not adopted?
- Since the Navy is moving all of its initial fixed wing training to Whiting NAS, wouldn't limited space be freed-up if UHPT was moved to Ft. Rucker?
- From an efficiency, doesn't it make sense to have all initial rotary wing training deducted at one location?

On March 30, 1993 General Colin Powell stated at the House Armed Services Committee Army Posture Hearing that, "I believe the proper place to do the centralization (of UHPT) and where it can be done very well is at Fort Rucker, Alabama". He went on to say, "I am committed to push this as hard as possible because there are real savings here and this is where we ought to find the savings."

The cost to transfer the UHPT operation at Whiting Field to Fort Rucker is less than \$18 million dollars. In 1992 the DoD IG reported that relocation of UHPT to Fort Rucker would save at least \$79 million dollars over 5 years.

- Is this savings estimate still valid today?

In a proposal to the Roles & Missions Commission, the Army has stated that by consolidating all primary DoD rotary wing training, integration and standardization among the services would be enhanced to truly support jointness. Each of the services would continue to provide advanced training for their own unique aspects of rotary wing aviation.

The Army has the capacity to train all of DoD's primary helicopter pilot requirements without any need for expansion or new construction.

- From an efficiency and interoperability standpoint, doesn't it make sense for all introductory helicopter pilot training to be conducted by the Army?

During the BRAC 95 Navy hearing earlier this year, General Mundy commented that in the 1970's the Army was training Marine helicopter pilots, and that this arrangement worked very well.

- Is there any reason why the Marine Corps couldn't return to this arrangement?

In 1992, the JCS report on Roles & Missions recommended consolidation of all primary helicopter training with the Army. A team led by the Navy was tasked by Secretary of Defense Aspin to review this recommendation. Their findings concluded that consolidation would need to be put on hold until primary training for both fixed wing and rotary wing could be evaluated together, the service and operating costs of the new TH-67 trainer had been determined, and that the decision would be made with the context of a base closure round.

- Each of these points has been satisfied, yet DoD only adopted the fixed wing portion of the Cross-Service Group recommendation. Why was rotary wing training ignored?

Earlier this year, the Navy testified before the BRAC 95 commission that the consolidation of Navy helicopter training with the Army was not feasible because it was a "people" issue, or a quality of life issue and that Navy Pilots fly in more extreme weather conditions at sea than the Army does. If that in fact is the case, why does the Pentagon continue to request Army helicopters and pilots to support naval missions?

A number of Army missions in support of Naval operations:

1983: Operation Urgent Fury

- ** Shipboard operations involving the Army's 18th Airborne Corps: UH-60's, OH-58A/C's, AH-1's

1987: Operation Prime Chance

- ** Shipboard and overwater operations involving the Army's 4/17th CAV (now 4/2) with OH-58D's
- ** valid CONOPS mission today

1994: Operation Uphold Democracy - Haiti

- ** 10th Mountain Division operated from the USS Eisenhower
- ** OH-58D's had extensive missions prior to invasion
- ** UH-60's, CH-47's, OH-58A/C's and AH-1's transported troops and equipment to the AO for several days, followed by command & control missions

Each Army Aviation unit has a task for shipboard operations incorporated in their mission essential list of tasks. The Army trains for shipboard operations and performs shipboard operations.

In 1992, MGen. Dave Robbins, then-Commander of the Army Aviation Center, noted that one of the main reasons the Navy was opposed to consolidating this training with the Army was because the Navy used initial fixed-wing training as a "cutting" tool for students.

- * Do you believe this to be the case, and is there any legitimate reason why the Navy needs this extra "cutting" tool?
- * Could the Navy use the Army's training syllabus that places student pilots directly into the rotary wing pipeline?

According to the DoD IG, "Relocating the Navy's primary helicopter training to Fort Rucker would relieve ground and air traffic congestion at Whiting Field NAS."

- * Is there a problem with congestion at Whiting Field, both in the air and on the ground? If so, would relocation of the Navy's Undergraduate Helicopter Pilot Training program free up space at Whiting Field?
- * How does Fort Rucker compare with Whiting with regard to available space?
- * Since the Army already owns nearly 80% of all DoD helicopters, does Fort Rucker have the capacity to train all of DoD's primary helicopter pilot requirements?

UNDERGRADUATE PILOT TRAINING

ITEMS FOR INCLUSION IN THE RECORD

1. Mr. Finch, during your testimony, you stated to Commissioner Robles that you would provide a list of those criteria used by the UPT-Joint Cross-Service Group to constrain the linear programming model from presenting nonsensical results. Please provide these criteria.

ANSWER: In addition to the "Site/Function Constraint Matrix" which limited potential site/functions combinations from the outset of the modeling process, constraints were imposed as the JCSG proceeded with its Optimization Model process. These constraints which were applied in an additive manner are as follows:

1. Flight screening would not be performed/collocated with any other function - based on JCSG military judgment.
2. Primary and advanced NAV/NFO, advanced NFO Strike, and advanced NFO Panel functions would be joint and single-sited - based on DEPSECDEF memo of October 24, 1994.
3. No function would be "spread" or fractionalized smaller than a "notionalized" or smallest squadron (approximately 100 annual production) - JCSG military judgment.
4. Flight screening function limited to the Air Force Academy and Hondo, TX sites - JCSG military judgment.
5. Primary function limited to four sites - JCSG military judgment. (This constraint was later dropped.)
6. Three site closure results (MIN PRIME model run) used as baseline for follow-on Optimization Model runs.
7. Air space and outlying airfield operations capacity from sites closed in MIN PRIME model run were transferred to remaining sites in close proximity for all additional modeling efforts.

2. Mr. Finch, during your testimony, you stated to Commissioner Cornella that Flight Screening was "basically" included as a matter of completeness. For the record, please respond to the following question:

Why did you include Flight Screening, a function not now nor envisioned to be done at UPT bases, but did not include Introduction to Fighter Fundamental (IFF) training, a function that is done at UPT bases, in the scope of your analysis?

ANSWER: The JCSG defined its category scope to include: DoD flight programs which support and facilitate selection and training of pilots, naval flight officers, and navigators to the point of awarding "Wings." Post-"Wings" flying missions such as IFF, the Blue Angels, and a large number of graduate rotary-wing courses were excluded from direct analysis. Non-flying missions at the bases (such as technical training at Sheppard AFB and NAS Meridian) were also excluded. When forwarding alternatives for consideration, the JCSG asked the military departments to quantify any such missions that impacted their capacity.

3. General Blume/Mr. Nemfakos/General Shane, during your testimony, Commissioner Davis asked how much surge capacity exists in each service. Please respond to this question in terms of capacity to recover from temporary situations, such as a period of prolonged bad weather, and also in terms of capacity to accommodate an increase in the Pilot Training Rate in the event of a long-term increase in pilot requirements.

ANSWER: Maj Gen Blume. If Reese AFB closes as recommended by DoD, the Air Force will retain approximately 12 percent surge capacity to recover from temporary situations at the Specialized Undergraduate Pilot Training bases. In addition, bases will have the capability to respond to temporary requirements by lengthening the duty day, increasing sortie density, flying on the weekend, etc. Increases such as these are not sustainable over a sufficient period of time to generate net increases in production. For extended operations such as an increase in the pilot training rate, the Air Force will retain between 7 and 12 percent surge capacity.

Mr. Nemfakos. To ensure the DON has capacity to support future unforeseen increases in pilot/NFO training rates, as part of its configuration analysis the BSEC looked at scenarios where all the FY 2001 pilot and NFO training rates were increased by 10 and 20 percent. (This includes increases in the Air Force training scheduled for Naval air stations.) The results showed that even with the its closure recommendations, the DON could support a 20 percent increase in PTR requirements and still have some excess capacity.

In addition, the capacity analysis was based on a 237-day work year and accounted for down time due to bad weather. If need be, training capacity could be increased at each air station by increasing the operating schedule (e.g., pilots could train on weekends to make up for lost flying time during the week days).

4. General Blume/Mr. Nemfakos/General Shane, during your testimony, Commissioner Robles requested that each Service provide data summarizing the costs to train pilots. Please include in this information the fixed costs for Base Operating Support (BOS), Real Property Management Account (RPMA), Overhead and Personnel at each UPT base, and the variable costs which vary by the number of students and flight hours/sorties flown. These costs should reflect only the portion attributable to UPT for the installations that also host other tenant units.

ANSWER: Maj Gen Blume.

COST ESTIMATE BASED ON FY94 DATA

	Mission	RPM	BOS	Medical*	Total	SUPT
	Fixed	Fixed	Fixed	Fixed	Fixed	Variable
	Costs	Costs	Costs	Costs	Costs	Cost Per
	(in \$M)	Graduate				
Columbus	\$33.5	\$4.9	\$27.9	\$8.5	\$74.8	\$237,507
Laughlin	\$35.3	\$5.7	\$32.2	\$11.0	\$84.2	\$245,039
Reese	\$32.1	\$5.5	\$31.0	\$9.9	\$78.5	\$244,619

Vance \$33.8 \$5.7 \$25.4 \$4.9 \$69.8 \$232,394

* Although not specifically asked for, medical fixed costs are also provided. These costs are not included in any other of the fixed costs provided.

Definitions:

Mission Fixed Costs: Open-the-door costs to enter one student. Includes Instructors, school overhead, and maintenance.

RPM Fixed Costs: The upkeep on the facilities that is required whether or not you have students in training (e.g., utilities).

BOS Fixed Costs: Base operating support costs that are required to support the fixed personnel (e.g., transportation, supply, grounds maintenance, chaplains, comptroller).

Medical Fixed Costs: Open-the-door costs to enter one student (e.g., supplies, and equipment to support fixed population).

Variable Cost Per Graduate: The cost of sending one additional student through SUPT. It does not include any fixed costs.

Mr. Nemfakos. The Navy has issued a data call to collect these data. We will forward a response as soon as possible.

5. Mr. Finch, during your testimony, you stated that in order to achieve uniformity when making comparisons between the services, the UPT-Joint Cross-Service Group drafted rules used by the FAA to measure airfield operations capacity at each UPT base. Please provide the formula that the FAA uses and how these rules were applied by your group.

ANSWER: In collecting runway capacity data, the JCSG data call asked for the sustainable capacity of the air station's main field and each outlying field in terms of the number of flight operations per hour each runway complex can support. To ensure consistency in the responses, the question instructed the air stations to base their capacity calculations on the methodology in the FAA Advisory Circular 150/5060-5 entitled "Airport Capacity and Delay." This methodology accounts for the type and mix of aircraft, the runway and taxiway configurations, and reductions in operations due to weather and times the airfield is closed to flying operations for other reasons. The attached pages at **TAB 5** excerpted from the Circular describe the procedure for determining the weighted hourly capacity for each runway.

6. General Blume, during your testimony, you stated you would provide answers to several questions relating to weather. Please respond to the following questions:

ANSWER: These questions pertain to Joint Cross-Service Group analysis and data and should therefore be directed to the Joint Cross-Service Group.

Why was the percent of time at which the ceiling and visibility are better than 1000 feet and 3 miles given any weight in the analysis when it is 1500 feet and 3 miles that represents a key weather decision factor in conducting Air Force flight training operations?

Mr. Finch: The measures and criterion reflected the JCSG developed consensus decision. The 1000/3 ceiling visibility cutoff represents a key Navy decision factor. Missions were analyzed based on the users. For example, both Military Departments will conduct primary training, so both 1000/3 and 1500/3 were used. In Air Force unique bomber-fighter training, on the other hand, 1500/3 was used while 1000/3 was not.

In tracking weather attrition, factors such as actual attrition experience, cancellations due to forecast icing conditions, and the occurrence of crosswinds out of limits can be used. Why was so much weight placed on crosswinds rather than some of these other factors in the UPT-Joint Cross-Service Group functional value analysis?

Mr. Finch: All weather factors (icing, crosswinds, etc.) were captured by weather attrition inputs. The extra weight given to crosswinds represents a measurement of the frequency of crosswinds, not a measure of "lost sorties." While some crosswind exposure is useful, frequent crosswinds complicate the learning process and can cause last-minute scheduling changes.

The T-38 attrition rate planning factor at Reese is 28 percent compared to 17 percent for the T-1. Since the T-1 factor is currently in use at Reese, why did the UPT-Joint Cross-Service Group use the T-38 instead of the T-1 planning factor in its functional value analysis?

Mr. Finch: In computing the T-1 attrition planning factors, the JCSG used the reported value for Reese AFB and a surrogate, based on existing aircraft, for the other sites. In the final analysis, no Air Force site received points for the T-1 planning factor in the JCSG model. Based on T-37/T-38 attrition planning factor comparisons across sites, there is no reason to believe that Reese AFB would gain an advantage from a T-1 planning factor comparison.

7. Mr. Nemfakos, during your testimony, you stated to Commissioner Davis that you would provide for the record your analysis on Strike Pilot Training Rates. Please provide that general data along with your response to the following specific questions:

Are the flight operations per strike Pilot Training Rate (PTR) at NAS Meridian and NAS Kingsville used in your capacity analysis the same? Please explain any differences.

ANSWER: Yes, the analysis used 1511 daylight flight operations per Strike PTR

What is the current operations per strike Pilot Training Rate at NAS Kingsville? How does this compare with the figure used to determine strike Pilot Training Rate capacity at NAS Kingsville?

ANSWER: NAS Kingsville's data call reported a daylight flight operations requirement for an all T-45 syllabus of 1393 ops. The 1511 ops used in the analysis was derived as follows. Because in FY 2001 not all strike training will be done in T-45 aircraft, we assumed 50 percent of the Strike pilots would go through an all T-45 syllabus and 50 percent would go through a split syllabus consisting of an Intermediate phase in the T-2 aircraft and an Advanced phase in the T-45 aircraft. Based on certified data, the flight ops requirement for this split syllabus was calculated as follows:

Intermediate Phase in T-2 -- 741 (from NAS Meridian' data call)
Advanced Phase in T-45 -- 888 (from NAS Kingsville's data call)
Total: 1,629

Taking a weighted average, this gives

$$(1393 \times .5) + (1629 \times .5) = 1511 \text{ daylight flight ops per Strike PTR}$$

To what extent was the Navy's determination that a single intermediate/advanced strike UPT base containing sufficient capacity to conduct training to support the strike Pilot Training Rate (PTR) in the future and under surge operations based upon the availability of NAS Corpus Christi as an outlying field?

ANSWER: Under the recommended scenario, the main airfield at NAS Corpus Christi is needed to support the single-siting of Strike training at NAS Kingsville.

What is the maximum strike Pilot Training Rate (PTR) that NAS Kingsville could support with Orange Grove and NAS Corpus Christi available as outlying fields?

ANSWER: Because daylight runway operations is the capacity limiter at training air station, we will show the capacity of this complex to support Strike training in these terms. As explained in response question 6b, the certified data showed that the daylight runway operations per pilot training rate (PTR) for Strike training is 1511 operations. The capacity at NAS Kingsville, OLF Orange Grove, and NAS Corpus Christi (after the proposed runway extensions) is as follows:

NAS Kingsville ----- 237 days x 12.1 hrs/day x 80 ops/hr = 229,416 annual flight ops
OLF Orange Grove -- 237 days x 11.6 hrs/day x 54 ops/hr = 148,457 annual flight ops
NAS Corpus Christi -- 237 days x 11.6 hrs/day x 80 ops/hr = 219,936 annual flight ops
Total: 597,806 annual flight ops

Dividing the total annual flight ops by the flight ops required per PTR gives a strike PTR capacity of

$$597,806/1511 = 396 \text{ PTR}$$

The FY 2001 pilot training rate for Strike is 336 pilots. Thus, the recommended scenario provides an excess capacity of

$$396 - 336 = 60 \text{ PTR}$$

which equates to about an 18% surge capability under planned and budgeted operations. Note that the Strike training capacity at this complex will increase as the Navy completes its transition to an all T-45 training syllabus. Once this transition is completed, the capacity at this complex will be

$$597,806/1393 = 427 \text{ PTR}$$

which increases the surge capability to about 28%

To what extent would the strike training capacity of NAS Kingsville be impacted if NAS Corpus Christi was not available?

ANSWER: Without the use of NAS Corpus Christi, NAS Kingsville would need another outlying field to support all Strike training.

8. Mr. Finch, your optimization analysis apparently placed primary emphasis on the installation military value data provided to you by the services, and less emphasis on the functional values developed by the UPT-Joint Cross-Service Group.

Please explain the reasoning for this approach?

ANSWER: Sites have value both with respect to their ability to accommodate activities involving specific functions (e.g., those associated with flight training) and the more general military missions of the Military Departments. For the former, the initial means of representing value for flight training functions was to consider the capacity of sites collectively to carry out all the functions associated with flight training. This was done by introducing a set of constraints that ensured that there was sufficient capacity in the collection of sites that remained open to handle all flight training functions.

Beyond ensuring there was sufficient capacity to perform flight training functions, the Group's methods next considered military value, maximizing the inherent military value of all sites that remained open to carry out general military missions of the Military Departments.

Finally, the Group's method considered the value of sites that remained open to perform flight training functions. Since functional value was already considered implicitly by setting constraints that guaranteed sufficient capacity to carry out all functions, this additional consideration of functional value was given lower priority.

To allow functional value to drive the model is relevant only if we assume functions can be easily moved and are completely interoperable. In practice, this led to nonsensical results during the early, "unconstrained" model runs. For example, Navy Strike training with its attendant costly T-45 infrastructure was spread to four sites. Other functions were swapped between Air Force and Navy sites. Site functional value was also a more narrow look at

installation value, as it did not consider collateral missions such as technical training. The Military Departments' inputs encompassed all functions and potential alternative uses of the installation.

9. Mr. Finch, your Joint Cross-Service Group minutes of March 24, 1994, state that the UPT category is largely installation oriented. If the value of a UPT base is best reflected in its functional rather than military value, why didn't you base your alternatives on model output which maximized functional value unconstrained by installation military value?

Since there is a direct correlation between the Joint Cross-Service Group's functional value rating and the Air Force's determination of military value, didn't the use of both functional and military value in the model simply increase the impact of functional value in the result?

ANSWER: Functional and military values are not independent. SECDEF guidelines define the first four BRAC criteria as military value. Criterion one is "mission requirements." This indicates functional value is a significant element of military value. There is also no single functional value for each base. The JCSG generally analyzed each site for all UPT missions, regardless of whether the site currently supported those missions. The JCSG did not analyze non-UPT missions. Functional value is only a subset of military value.

10. General Blume, since the Air Force relied so heavily on the results of the Joint Cross-Service Group's computer model, did you analyze the model for calculation errors?

ANSWER: The Air Force had representatives on the Joint Cross-Service Group and its Study Team to continuously monitor the process and its output. The Base Closure Executive Group also did an independent capacity analysis to confirm the required infrastructure level.

11. General Blume/Mr. Nemfakos, your Service recommendations used your own BRAC process as well as non-BRAC policy decisions to choose which UPT bases to close or realign. Why didn't your recommendations necessarily reflect the high functional value scores from the UPT-Joint Cross-Service Group?

ANSWER: Maj Gen Blume. The Air Force recommendations do reflect the high functional value scores. The recommendation to close Reese AFB is consistent with the fact Reese had the lowest average functional value.

Mr. Nemfakos: The DON's process did not consider functional value. It used its own documented method for evaluating the military value of its installations.

12. Gen Blume, the average functional value for each Air Force UPT base is shown (the Reese score is adjusted based on your recent memo to us).

Columbus AFB	6.74
Vance AFB	6.67
Randolph AFB	6.53

Laughlin AFB	6.50
Reese AFB	6.22

The Air Force Base Closure Executive Group (BCEG) apparently used the functional values from the UPT-Joint Cross-Service Group. These averages were used to find military value by performing a standard deviation analysis to assign a color "Stop Light" code to Criteria I, "Flying Mission Evaluation." All eight criteria were then considered to derive an overall Air Force ranking: the result was Tier I for Columbus, Laughlin, Randolph, and Vance, and Tier III for Reese.

Why didn't the Air Force simply use the functional value for the training that is actually accomplished at each specific UPT base to determine its score? Would the result have been different?

ANSWER: Functional value is an important part of military value, but is not necessarily the only indicator. For example, Randolph AFB houses a Major Command Headquarters, a Numbered Air Force Headquarters, and the Air Force Military Personnel Center besides having a flying mission. In the case of UPT bases, average functional value scores, the BCEG "Stop Light" analysis, and professional judgment all indicated Reese AFB is the correct base to close. The Air Force does not believe the results would have been different if functional value were used as an exclusive measure. However, using only functional value would be a narrow analysis and would not comply with Secretary of Defense guidelines. In addition, the Air Force made a conscious effort to fully integrate, where possible, the Joint Group process into its entire 1995 BRAC analysis. For the Laboratory, Test and Evaluation, and Depot subcategories, the Air Force used Joint Group data, the same methodology and, with few exceptions, the same measures of merit to produce the functional portion of the Criterion I grade for those installations. For the Undergraduate Flying Training category, the Air Force used the Joint Group functional values as the basis for its Criterion I grade. These steps ensured that the Air Force analysis was consistent, to the maximum extent possible, with the Joint Group direction on analysis of these functions.

It should be noted that the average functional values were not used to find "military value," but were instead used to determine the Criterion I grade. Military value, under the criteria, consists of the first four criteria.

Finally, the BCEG examined the functional values derived by JCSG-UPT. After discussion, the BCEG agreed to include all activities pertaining to Air Force operations as the basis for the average functional value. Including all potential flying training activities rather than the training actually accomplished provides a better analysis of both current and potential training value.

13. Mr. Finch, did the UPT-Joint Cross-Service Group run any excursions using the Linear Programming Optimization Model, such as the ones shown on below:

- a. Examining only Air Force Bases
- b. Examining only Naval Air Stations

- c. Excluding flight screening
- d. Excluding Navy-unique functional areas
- e. Excluding Air Force-unique functional areas
- f. Changing the weights on various factors, such as airspace.

ANSWER: The Group was sensitive to the potential issue of adjusting the model after the data had been collected. Excursions to evaluate the sensitivity of the model to movement of new functions to new sites given differing minimum site levels was performed. Service specific excursions were not performed, given the joint perspective of the Group's efforts.

What would the results be if these excursions were run?

ANSWER: It would be inappropriate to speculate as to potential results without running the model.

14. Mr. Finch, what were the options you considered for measuring capacity, and why did you choose the methods you did?

ANSWER: Factors of capacity and the methods to measure them were developed over time by the JCSG. The process started with development of the Data Call followed by construction of the Capacity Analysis Matrix and the questions utilized in point distribution for the Measures of Merit. As the process evolved, the JCSG refined its methods of measurement in the framework of sound operational experience and military judgment.

15. Mr. Finch, a separate functional value for the Air Force's post-UPT Introduction to Fighter Fundamentals (IFF) training was not included among the 10 functional areas selected for assessing the overall functional value of each UPT-category base.

Even though it is conducted after "Wings" are awarded, IFF is conducted at a UPT base, consumes capacity, and is similar in content to training events contained within the latter stages of the Navy's Strike Training syllabus.

Why didn't the UPT-Joint Cross-Service Group include IFF as an additional functional area?

ANSWER: Post-"Wing" flying missions such as IFF, the Blue Angels, and a large number of graduate rotary-wing courses were excluded from direct JCSG analysis. Non-flying missions collocated at the UPT sites (such a technical training a Sheppard AFB and NAS Meridian) were also excluded. When forwarding alternatives for consideration, the JCSG asked the military departments to quantify any such missions that impacted their capacity.

16. General Blume, did the Air Force consider transferring the Introduction to Fighter Fundamentals training from Columbus AFB to another location such as Luke AFB in order to increase the capacity to do other training at Columbus?

ANSWER: No. The Air Force collocated Introduction to Fighter Fundamentals (IFF) training on the UPT bases in 1993 when it stood up Air Education and Training Command during a major reorganization. This allowed a more seamless training continuum for fighter-bound students, particularly as the Air Force converted from generalized UPT to specialized UPT. Luke AFB also does not have the capacity to absorb this training. Even if Luke could absorb IFF, this would require an additional move for many fighter-bound students whose final formal training units were located elsewhere. To return to a different basing structure would be expensive and counterproductive.

17. Mr. Finch, in the consideration of training airspace for both capacity analysis and functional value, the UPT-Joint Cross-Service Group methodology permitted a base to claim credit for large sectors of airspace so long as any portion of it was within 100 nautical miles of the base. For bases near the Gulf of Mexico, this meant credit for huge over-water sectors.

Both Air Force and Navy UPT programs train predominantly over land. This is to permit such over-land flight training events as ground reference maneuvers and low-level navigation. Over-water training is performed close to shore. Since actual UPT practice precludes the use of large blocks of over-water airspace, doesn't giving credit for such over-water airspace unfairly skew the results in favor of coastal bases?

ANSWER: Over-water airspace has intrinsic value to the Navy and the consensus of the JCSG was to consider it equally with over-land airspace.

18. Mr. Finch, did either the Services or the UPT-Joint Cross-Service Group consider the impact of contracting some UPT functional training areas to outside sources?

ANSWER: No. The JCSG charter was to help size infrastructure, not to make policy decisions.

19. General Blume, does closing Reese AFB leave sufficient capacity in the UPT area to provide for surge capability in pilot training?

ANSWER: Yes. The closure of one Air Force UPT base leaves sufficient capacity to provide for surge capability. However, there is not enough excess capacity to close more than one Air Force UPT base.

20. Mr. Finch, all of your alternatives move the Navy's helicopter training to Fort Rucker. There are several different ways to implement this alternative. For example, the Navy could retain their current helicopter training process and be collocated at Fort Rucker as an Army tenant; or the Navy's pilots could be integrated into the Army training through a consolidation. Did the Joint Cross Service Group consider the issue of consolidation vs. collocation when developing its alternatives?

ANSWER: No. The JCSG was not established to consider policy issues related to undergraduate pilot training. Therefore, its approach was to use existing policies that were applicable to the various functions considered by the Group. In the case of helicopter training,

existing policy was, and is, not to consolidate such training for the Army and Navy. Therefore, only alternatives that involved collocating or not collocating this function were considered.

21. Mr. Finch, the Navy responded to your alternatives to close Whiting Field with COBRA analyses that showed a high cost of implementing the move of primary training to Naval Air Station Pensacola and helicopter training to Fort Rucker.

Did the UPT-Joint Cross Service Group look at variations to this scenario, such as the relocation of helicopter training to Fort Rucker with primary training remaining at Whiting Field?

ANSWER: Given the resource requirements, site capacities and functional values, and site military values, the Optimization Model consistently moved the helicopter function to Fort Rucker and closed NAS Whiting Field. The Group did not look at additional variations.

22. Mr. Nemfakos, would moving helicopter training out of Whiting Field help the Navy meet its requirement for outlying fields for primary training?

Does your answer change when considering the transition to any of the Joint Primary Aircraft Training System (JPATS) aircraft?

ANSWER: No, the OLFs used for helicopter training are not configured to support fixed-wing training. JPATS does not change this situation.

23. Mr. Nemfakos, the Navy Base Structure Evaluation Committee (BSEC) record states that the reason for rejecting the movement of helicopter training to Fort Rucker is the high one-time cost and long return on investment.

Did operational concerns also enter into this decision or was it strictly an economic decision?

ANSWER: The decision not to co-locate helicopter training at Fort Rucker was strictly an economic decision -- high one-time costs and a poor return on investment. Operational considerations, however, lead the DON to evaluate a co-location scenario as opposed to a consolidation scenario.

24. General Blume, please summarize the main reasons why the Base Closure Executive Group (BCEG) choose Reese AFB to close?

ANSWER: When all eight criteria were applied to the bases in the UFT category, Reese AFB ranked lowest relative to the other bases in the Undergraduate Flying Training category. In addition, Reese AFB was recommended for closure in each alternative recommended by the DoD Joint Cross-Service Group for UPT.

25. Mr. Nemfakos, please summarize the main reasons why the Base Structure Evaluation Committee (BSEC) chose NAS Meridian to close?

ANSWER: First, the current Force Structure Plan shows a continuing decline in the PTR (particularly in the decline from 11 to 10 carrier air wings) so that Navy strike training could be handled by a single full-strike training base. Second, the consolidation of strike training that follows the closure of NAS Meridian is in the spirit of the policy of the Secretary of Defense that functional pilot training be consolidated. The training conducted at NAS Meridian is similar to that conducted at NAS Kingsville, which has a higher military value, presently houses T-45 assets (the Department of the Navy's new primary strike training aircraft) and its supporting infrastructure, and has ready access to larger amounts of air space, including over-water air space if such is required. Lastly, the net of all costs and savings associated with this recommendation is a savings of \$158.8 million. Annual recurring savings after implementation are \$33.4 million with an immediate return on investment expected.

26. Mr. Finch, please discuss the process used to analyze a potential NAS Meridian/Columbus AFB complex.

What alternatives or "strawmen" did the UPT-Joint Cross-Service Group consider?

ANSWER: The Group evaluated three alternatives for the NAS Meridian/Columbus AFB complex: 1) A JPATS Primary "Master" site, 2) a Strike/Bomber-Fighter complex with Strike at NAS Meridian and Bomber-Fighter at Columbus AFB, and 3) moving Maritime and Primary/Intermediate NFO/NAV to NAS Meridian to allow creation of a JPATS Primary "Master" site at NAS Pensacola and NAS Whiting Field. The first alternative's up-front costs - building five outlying fields and relocating Columbus AFB's Bomber Fighter function to Laughlin AFB were considered excessive. The second alternative was dropped because it did not result in the net increase of a "base complex," would waste significant investment in the T-45 training system at NAS Kingsville, and it would also require high, up-front cost at NAS Meridian. The third alternative, while not as costly to implement as alternative one, was discounted as the Maritime and Primary/Intermediate NFO/NAV functions could be readily accommodated by those flight training bases not recommended for closure. (JCSG Meeting Minutes of February 23, 1995).

What COBRA runs were performed to assess a potential NAS Meridian/Columbus AFB complex?

ANSWER: None.

What cost advantages were considered (for example, NAS Meridian and Columbus AFB using joint targets and outlying fields and sharing excess capacity during runway maintenance)?

ANSWER: The JCSG considered potential savings in shared or combined facilities from a JPATS site consolidation or formation of a JPATS base complex, but found they could not readily be identified. The Group also agreed that savings, if any, would be well in the future. In

reviewing the base complex issue, the Group found no clear or compelling rationale to change the Military Departments' recommendations.

27. Mr. Nemfakos, if the redirect of mine warfare helicopter assets to NAS Corpus Christi is not approved, what impact would that have on the operations per day available for pilot training at Corpus Christi?

How much do other flight operations at Corpus Christi reduce daily operations available for pilot training?

ANSWER: Operating mine warfare helicopters out of NAS Corpus Christi would have a negligible effect on the runway operations available for pilot training. All other flight operations at NAS Corpus Christi, to include the proposed mine warfare helicopter operations, require less than 5 percent of NAS Corpus Christi's pilot training capacity.

28. Mr. Finch, will Joint Primary Aircraft Training System (JPATS) increase or decrease the number of bases required for UPT training?

ANSWER: The answer will depend on the aircraft selected and the evolution of the JPATS training syllabus. For example, some contenders may require longer runways than others. On the other hand, these same aircraft may be able to absorb some flying time from the more costly and more infrastructure-intensive advanced training tracks (i.e., T-45 Strike training).

29. Mr. Finch, what was the impact of Joint Primary Aircraft Training System (JPATS)-related issues on the group's assessment of functional value?

What specific facility and airspace requirements were used to determine Joint Primary Aircraft Training System (JPATS) functional values?

ANSWER: For purposes of the analyses, the Measures of Merit utilized the maximum requirements identified in the source selection process for JPATS (i.e., 5,000 ft runway).

CONGRESSIONAL QUESTIONS SUBMITTED FOR THE RECORD

UNDERGRADUATE PILOT TRAINING

Questions submitted by Congressman Smith:

1. Since the Navy has recommended relocating the Naval Air Technical Training Center (NATTC) from Lakehurst, NJ, to Pensacola, do you envision recreating the Carrier Aircraft Launch and Recovery System (COLASSES) at Pensacola or do you expect to disassemble, package, ship and reinstall those devices that are critical to training pilots for flying off and onto aircraft carriers?

ANSWER: The mission of NATTC Lakehurst Detachment does not include training pilots for flying off and onto aircraft carriers. The NATTC Lakehurst Detachment personnel and equipment support training requirements specific to operations and maintenance of aircraft carrier catapult, launch, and recovery equipment systems. The personnel and equipment necessary to continue supporting this training will be relocated to NAS Pensacola.

2. At what cost do you envision recreating the unique aircraft flight training facility in Pensacola?

ANSWER: NATTC Lakehurst Detachment is not a unique aircraft flight training facility and therefore will not be recreated as such. However, all appropriate costs to relocate NATTC Lakehurst Detachment necessary personnel and equipment that support training requirements specific to operations and maintenance of aircraft carrier catapult, launch, and recovery equipment systems were included in the COBRA analysis for Lakehurst. These costs are calculated automatically by COBRA algorithms from various input data and appear as part of the aggregate one-time costs for NAWC AC Lakehurst, NJ plus the one-time costs for NAS Pensacola, FL. The exact cost will be determined as part of the implementation planning and budgeting process; however, it would be expected that the final cost would be of a similar magnitude.

3. Do facilities exist at Pensacola for the housing of the Lakehurst NATTC students?

ANSWER: Yes. BRAC 93 moved average onboard of 5004 students to NAS Pensacola. BRAC 95 adds the relocation of aviation students from both NATTC Meridian and Lakehurst, a total of 162 additional students. Barracks space was sized under BRAC 93 to accommodate the planned force structure through the end of the century. The FY 2001 average onboard for aviation students, including Meridian and Lakehurst, is 4226. The Navy is under contract to build BEQ space for 4924 beds. This number includes planned onboard, transient students and a surge capability. In view of this, the BSEC made a determination that no additional BEQ construction was required.

4. What type of delay or disruptions are anticipated or planned for in the training of these aircraft carrier student pilots while the training facility is disassembled, moved and recreated in Pensacola?

ANSWER: NATTC Lakehurst Detachment does not train aircraft carrier student pilots.

Questions submitted by Senators Shelby and Heflin and Congressman Everett:

1. In November of 1994, the Joint Cross-Service Group on Undergraduate Pilot Training submitted three different alternatives for consideration by the military departments and Secretary Perry. According to documents submitted to the BRAC, each alternative reduced excess capacity while maintaining high military value. Each of the three alternatives consistently recommended consolidating all military undergraduate helicopter pilot training at Fort Rucker.

However, these recommendations were not adhered to in their entirety. Secretary Perry chose not to consolidate UHPT at Fort Rucker as recommended due to high MILCON costs associated with closing Whiting NAS. He then directed consolidating all Navy initial fixed-wing training at Whiting NAS.

a. Why is it that consolidation of UHPT at Ft. Rucker was not adopted?

ANSWER: Mr. Nemfakos. While the recommendations forwarded by the UPT Joint Cross-Service Group called for moving the DON's Advanced Helicopter training to Fort Rucker, they said nothing about consolidating UHPT. Because of operational differences in training Navy and Army helicopter pilots, in evaluating these proposals, the DON only considered the co-location of UHPT.

b. Since the Navy is moving all of its initial fixed-wing training to Whiting NAS, wouldn't limited space be freed-up if UHPT was moved to Ft. Rucker?

ANSWER: Mr. Nemfakos. Moving the DON's Advanced Helicopter training to Fort Rucker would free-up space at NAS Whiting Field for fixed-wing training. However, because there is no issue of limited space at NAS Whiting Field for fixed-wing training, this additional space would be of little value.

c. From an efficiency standpoint, doesn't it make sense to have all initial rotary-wing training dedicated at one location?

ANSWER: Mr. Nemfakos. It would make sense to have all initial rotary wing training at one location if both the Navy and Army had the same training syllabi, same trainers, and identical aircraft. They do not. The DON has unique training requirements which are driven by its operational missions (i.e., a sea-based environment). Because of this, a consolidation of UHPT training would still require separate training tracks for Navy and Army pilots, and therefore, only create costs.

2. On March 30, 1993 General Colin Powell stated at the House Armed Services Committee Army Posture Hearing that, "I believe the proper place to do the centralization (of UHPT) and where it can be done very well is at Fort Rucker, Alabama." He went on to say, "I am committed to push this as hard as possible because there are real savings here and this is where we ought to find the savings."

The cost to transfer the UHPT operation at Whiting Field to Fort Rucker is less than \$18 million dollars. In 1992 the DoD IG reported that relocation of UHPT to Fort Rucker would save at least \$79 million dollars over 5 years.

a. Is this savings estimate still valid today?

ANSWER: Mr. Nemfakos. It should be noted that the Assistant Secretary of Defense (Force Management and Personnel) and the Department of the Navy nonconcurred with the portion of the 1992 DoD IG audit report in which were presented the savings estimate cited above, believing that the audit analysis attempted to compare dissimilar programs and also questioning the estimated monetary benefits from relocation.

In considering the UPT JCSG alternatives during the 1995 base realignment and closure process, the BSEC used only data, certified to be accurate and complete, contained in our 1995 Base Structure Data Base, and information provided and verified by the other Military Departments. Based on our analysis of this certified data, the total estimated one-time cost to implement the "non-JPATS" alternative is \$155.7 million with an annual recurring savings after implementation of \$13 million and a return on investment expected in 14 years. The net present value of the costs and savings over 20 years for this scenario is a savings of \$9 million. The total estimated one-time cost to implement the "JPATS" alternative is \$159 million with an annual recurring savings after implementation of \$13 million and a return on investment expected in 15 years. The net present value of the costs and savings over 20 years for this scenario is a savings of \$7 million.

3. In a proposal to the Roles & Missions Commission, the Army has stated that by consolidating all primary DoD rotary-wing training, integration and standardization among the services would be enhanced to truly support jointness. Each of the services would continue to provide advanced training for their own unique aspects of rotary-wing aviation.

The Army has the capacity to train all of DoD's primary helicopter pilot requirements without any need for expansion or new construction.

a. From an efficiency and interoperability standpoint, doesn't it make sense for all introductory helicopter pilot training to be conducted by the Army?

ANSWER: Mr. Nemfakos. There is a fundamental difference in how the Army and the naval services desire to train their pilots from an operational perspective; each has its own set of validated requirements that drive its training program, the location for the training, and efficiencies derived. The Navy, Marine Corps, and Coast Guard training requirements include fixed-wing training for all students, emphasis on basic and radio instrument training, situational awareness/unusual attitude/aerobatic training and shipboard landing training. We use aircraft systems as well as simulators and ground support systems that are different from those used by the Army in support of this specialized training. Then too, we believe that the operational environment in which our helicopter pilots will eventually be required to fly validates and mandates our current approach to UHPT. For example, the absolute necessity for aviator competence in over water flight, where aircraft performance and navigational techniques employed differ significantly from those over land, carries unique training demands. And, especially for Marine helicopter pilots, replacement of the aging CH-46 fleet with V-22 aircraft that feature in-flight transitions between rotary and fixed-wing modes will spawn a completely different dynamic for which they must be trained. In contrast, Army requirements and training

are oriented toward the day/night VMC, ground contact environment that supports the Army mission in the field.

What makes the most sense for all the Services is to adhere to training programs that best prepare pilots to function in the respective operational environments in which they will be employed. Different requirements produce efficiencies unique to the specific training program at each base (NAS Whiting Field and Fort Rucker). It should be noted that intent of the Secretary of Defense in establishing a JCSG for UPT was not for it to examine the UPT programs of the Services with an eye toward consolidation, but to assist the Military Departments in identifying asset sharing opportunities. To what extent "jointness" is served by consolidation of UHPT, whether it should be, and which Service ought to conduct consolidated UHPT for all are issues more appropriately addressed outside the base realignment and closure process.

4. During the BRAC 95 Navy hearing earlier this year, General Mundy commented that in the 1970's the Army was training Marine helicopter pilots, and that this arrangement worked very well.

a. Is there any reason why the Marine Corps couldn't return to this arrangement?

ANSWER: Mr. Nemfakos. The Department of the Navy does not endorse Army UHPT for Marine pilots, because it does not meet the training requirements for service with the Fleet and Fleet Marine Forces. During the Vietnam War, the Marine Corps experienced a severe shortage of pilots, and following the direction of the Secretary of Defense, accepted helicopter pilots who had been trained by the Army. To meet Marine Corps requirements those Army-trained pilots, whose training was complete by Army requirements, required an additional 70 to 75 hours of flight training that was provided in Marine Corps helicopter training groups. General Mundy's comment during the Commission's hearing on March 6, 1995, did not indicate his willingness to change the training syllabus for Marine Corps helicopter pilots, but was offered in rebuttal to suggestions that our current resistance to UHPT consolidation is fueled in whole or in part by interservice rivalry.

5. In 1992, the JCS report on Roles & Missions recommended consolidation of all primary helicopter training with the Army. A team led by the Navy was tasked by Secretary of Defense Aspin to review this recommendation. Their findings concluded that consolidation would need to be put on hold until primary training for both fixed wing and rotary wing could be evaluated together, the service and operating costs of the new TH-67 trainer had been determined, and that the decision would be made with the context of a base closure round.

a. Each of these points has been satisfied, yet DoD only adopted the fixed-wing portion of the Cross-Service Group recommendation. Why was rotary-wing training ignored?

ANSWER: Mr. Nemfakos. The 1992 JCS Report on Roles & Missions, signed by General Colin Powell in February 1993, did not recommend consolidation of primary helicopter training. Instead, it stated "*If it is cost effective, Navy, Marine Corps and Coast Guard helicopter training will be moved from Pensacola to Ft Rucker.*" A joint working group, led by the Navy with

assistance from the Army, recommended "retaining existing Navy helicopter training at Whiting Field and continuing use of the T-34C for primary training and track selection at least through JPATS introduction. This proven training format is presently the least costly approach to producing Navy helicopter pilots that meet service requirements." The study further recommended that "All services reevaluate each of the options presented in this study shortly after the following events occur: JPATS source selection is complete and acquisition/operating costs are identified. Final force levels are established and this flight training requirements determined. Army receives TH-67 deliveries and actual inventory and operating costs are identified." The study was forwarded with concurrence from the Army.

Rotary-wing training was considered on an equal basis with all other types of UPT in both the Department of the Navy's analysis and that conducted by the UPT JCSG. The rationale for the Department of the Navy's rejection of the UPT JCSG alternative to close NAS Whiting Field is explained in response to question 1.

6. Earlier this year, the Navy testified before the BRAC 95 commission that the consolidation of Navy helicopter training with the Army was not feasible because it was a "people" issue, or a quality of life issue and that Navy Pilots fly in more extreme weather conditions at sea than the Army does. If that in fact is the case, why does the Pentagon continue to request Army helicopters and pilots to support naval missions?

A number of Army missions in support of Naval operations:

1983: Operation Urgent Fury

*Shipboard operations involving the Army's 18th Airborne Corps: UH-60's, OH-58A/C's, AH-1's

1987: Operation Prime Chance

*Shipboard and overwater operations involving the Army's 4/17th CAV (now 4/2) with OH-58D's
*valid CONOPS mission today

1994: Operation Uphold Democracy - Haiti

*10th Mountain Division operated from the USS Eisenhower
*OH-58D's had extensive missions prior to invasion
*UH-60's, CH-47's, OH-58A/C's and AH-1's transported troops and equipment to the AO for several days, followed by command & control missions

Each Army Aviation unit has a task for shipboard operations incorporated in their mission essential list of tasks. The Army trains for shipboard operations and performs shipboard operations.

ANSWER: Mr. Nemfakos. As mentioned in response to question 1, training for Army helicopter pilots and naval aviators is designed to prepare them for two significantly different operational environments. The record of employment of Army helicopters shows that the Army

does operate from Navy ships on certain occasions and under visual meteorological (VMC) weather conditions. However, Army helicopter pilots are not trained for, and do not operate during, degraded weather conditions. In contrast, every Navy pilot is trained to operate from large and small deck ships under all weather conditions. In each of the cases cited above, Army helicopters were required due to unique mission circumstances and operated under favorable weather conditions as directed by senior Defense Department officials.

7. In 1992, MGen. Dave Robbins, then-Commander of the Army Aviation Center, noted that one of the main reasons the Navy was opposed to consolidating this training with the Army was because the Navy used initial fixed-wing training as a "cutting" tool for students.

a. Do you believe this to be the case, and is there any legitimate reason why the Navy needs this extra "cutting" tool?

b. Could the Navy use the Army's training syllabus that places student pilots directly into the rotary wing pipeline?

ANSWER: Mr. Nemfakos. The Navy practice of using fixed-wing aircraft in rotary-wing pilot track selection and training was validated by a 1994 Center for Naval Analysis study which concluded that *"Splitting the current Navy primary into two separate tracks, rotary primary and fixed-wing primary, could increase attrition if current standards are maintained. Attrition would be higher in each track than in the present unified primary and thus would be higher overall."* Increasing attrition will increase the cost of training and require increased accessions. In addition, the study forwards the following training considerations:

"The motor skills and learned responses needed to fly helicopters and fixed-wing airplanes in forward flight are almost exactly the same... These skills are transferable."

"Flying helicopters in hover mode is different from flying them in forward flight mode. From a training standpoint, it is sensible to first teach rotary-wing pilots forward flight in a fixed-wing trainer. Student pilots can then move to helicopters where they acquire specialized flight skills."

"Some flight training, particularly navigation and instrument flying, involves skills that are not specific to a particular type of aircraft."

The Air Force also supports the concept of undergraduate, primary fixed-wing training for its helicopter pilots. In December 1992 the Assistant Secretary of the Air Force stated *"...fixed-wing training before rotary-wing training produces a better trained helicopter pilot for less money."*

Based on the benefits of fixed-wing primary training, using the Army's curriculum would not meet Navy, Marine Corps and Coast Guard requirements.

8. According to the DoD IG, "Relocating the Navy's primary helicopter training to Fort Rucker would relieve ground and air traffic congestion at Whiting Field NAS."

- a. Is there a problem with congestion at Whiting Field, both in the air and on the ground? If so, would relocation of the Navy's Undergraduate Helicopter Pilot Training program free-up space at Whiting Field?
- b. How does Fort Rucker compare with Whiting with regard to available space?
- c. Since the Army already owns nearly 80% of all DoD helicopters, does Fort Rucker have the capacity to train all of DoD's primary helicopter pilot requirements?

ANSWER: Mr. Nemfakos. There is no ground or air congestion at NAS Whiting Field. As previously stated, fixed wing (T-34C) aircraft normally conduct training operations at altitudes above 1500 feet and rotary wing (TH-57B/C) training aircraft operate in the airspace structure below 1500 feet. Commercial airliners overfly training airspace at altitudes above 24,000 feet. Navy fixed-wing aircraft conduct landing operations at exclusive fixed-wing airfields, which are specifically designed to train naval aviators to land day or night, in fair or foul weather, and aboard the confined landing areas of our ships at sea. These airfields are located within ten miles of home field, enhancing training efficiency and lowering cost per completed student sortie. NAS Whiting, in effect, is two airfields for the price of one. There are no course rule conflicts between fixed-wing and rotary-wing aircraft operating at these two fields. Operations in joint-use areas are normally conducted using air traffic control procedures and/or radar monitoring. Additionally, helicopters, by design, can operate at very slow airspeeds. As a result, near mid-air collisions involving Navy helicopters are virtually non-existent. In contrast, increased congestion at Fort Rucker would result from consolidating training there.

Fort Rucker is larger than NAS Whiting Field. However, NAS Whiting Field meets all present and future Navy requirements for primary and helicopter training and includes sufficient maritime operating areas for the Helicopter Landing Trainer ship. Additionally, the area around Fort Rucker has a much greater concentration of noise sensitive areas than does NAS Whiting Field.

Fort Rucker requires significant facilities MILCON, extensive rehabilitation and upgrade of existing structures and, equally important, extensive quality of life improvements to support consolidated training. Facilities meeting the Navy's requirements for both mission and quality of life are currently available and in use at NAS Whiting Field.





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

ALAN J. DIXON, CHAIRMAN

COMMISSIONERS:

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

OPENING REMARKS OF MR. KLING

MEDICAL JOINT CROSS SERVICE GROUP

NEXT WE WILL HEAR TESTIMONY FROM THE MEDICAL JOINT CROSS SERVICE GROUP. WE ARE PRIVILEGED TO HAVE WITH US DR. EDWARD D. MARTIN, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS, WHO HEADED THE GROUP.

WE WILL BEGIN COMMISSIONER'S QUESTIONS AS SOON AS I HAVE SWORN IN DR. MARTIN, AND ANY OTHER BACKUP WITNESSES WHO MAY BE CALLED UPON TO ANSWER QUESTIONS DURING THIS PANEL.

DO YOU SOLEMNLY SWEAR THAT THE TESTIMONY YOU ARE ABOUT TO GIVE BEFORE THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION SHALL BE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

MEDICAL JOINT CROSS SERVICE GROUP

PROCESS

1. Dr. Martin, would you please describe the make-up of your Medical Joint Cross Service Group and briefly explain the process by which your group developed its realignment and closure alternatives?

2. All but one of the 16 Joint Cross Service Group alternatives describe realignment of an acute care hospital to an outpatient clinic.

Dr. Martin, why were so many of the Joint Cross Service Group's alternatives realignments rather than closures? Is realignment to a clinic a cost effective way to eliminate capacity? Would it be more cost effective to close rather than realign hospitals, especially in areas with other military hospitals in the area or substantial civilian capacity?

Dr. Martin, what exactly did the Joint Cross Service Group have in mind when it used the word "clinic?" Who has the final say as to what is included in a clinic, and who decides how many people it takes to operate one?

General Shane, how did the Army define "clinic" for the Fort Lee and Fort Meade realignments? What was the basis for the size of the staff reductions in the recommendations for those two hospitals?

Mr. Pirie, do the Navy's definitions or assumptions about hospital-to-clinic realignments differ from the Army's? If so, please elaborate.

General Blume, do the Air Force's definitions or assumptions differ from those of the other two services? If so, please elaborate.

3. Dr. Martin, do opportunities exist for the downsizing and realigning of hospitals to allow for the specialization of medical capabilities or functions within a certain geographic area?

Could these actions allow for better care through specialization, and lower costs through reduced infrastructure?

Were opportunities for this type of realignment identified and/or considered?

4. General Shane, in developing the cost savings estimates for the two Army hospital realignment actions, what assumptions did the Army make about both inpatient and outpatient CHAMPUS cost increases?

5. Dr. Martin, given that direct care services in military hospitals are essentially free to beneficiaries, while services received under CHAMPUS involve copayments and deductibles, do you believe it is reasonable to conclude that demand for services may diminish when direct care services are reduced?

PRIOR ROUND AND NON-BRAC ACTIONS

1. Dr. Martin, will you please briefly describe how reductions in the medical area fit into the larger, DOD-wide drawdown context? Do past BRAC actions and the current set of recommendations keep pace with changes in the rest of the military or are medical assets drawing down at a faster or slower pace?

2. Dr. Martin, in meetings with Commission staff you described a number of hospital realignment actions taking place outside of the BRAC process.

Would you please describe what the Department is doing to eliminate excess inpatient capacity beyond the recommendations sent to this Commission? Why isn't the Department doing these actions through the BRAC process?

Given the frequency with which budgets can and do change, what assurances do you and the Commission have that these actions are really going to take place? Do you believe it would be beneficial for the Commission to add any or all of the actions you describe to its list of actions to consider?

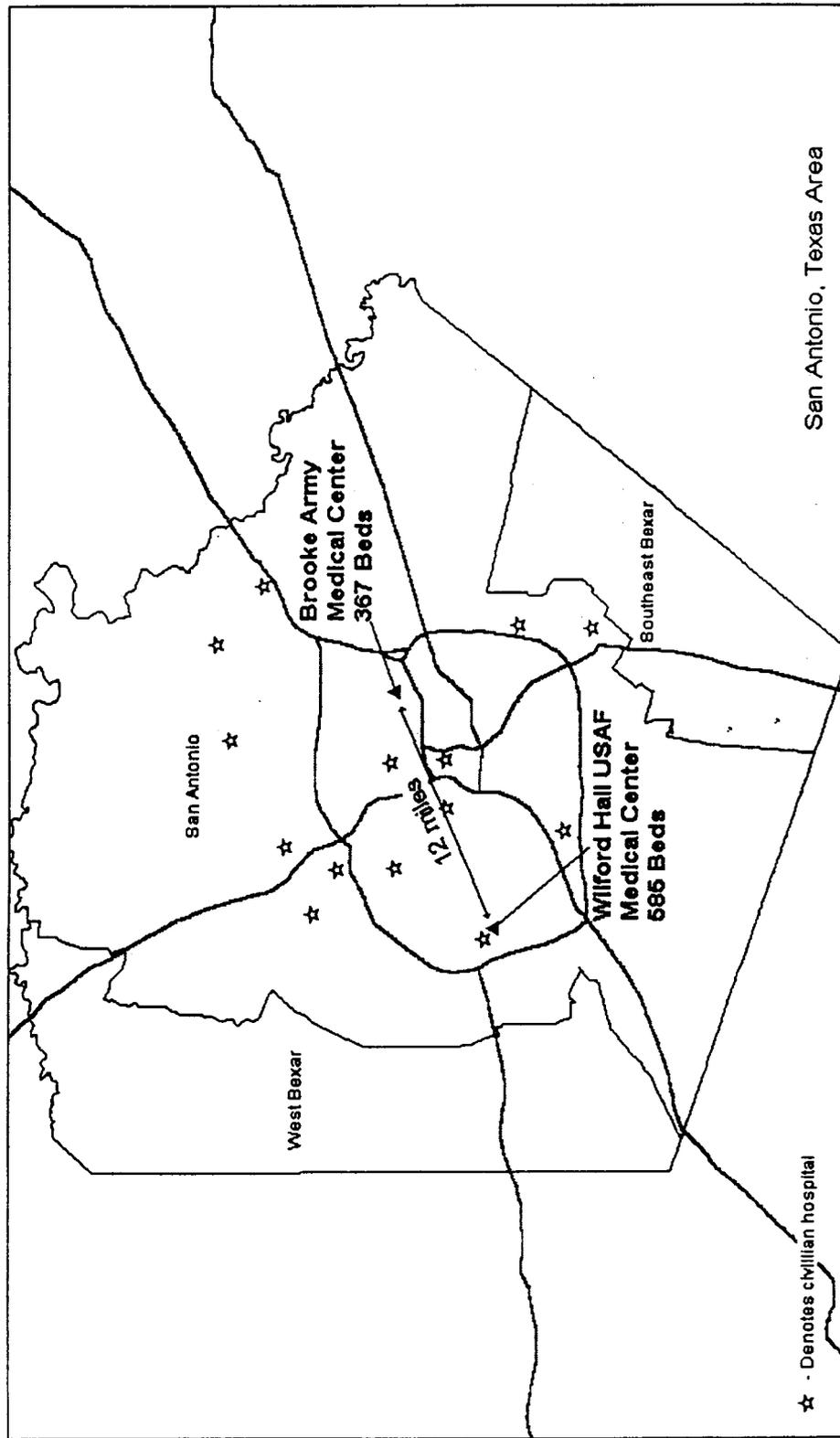
3. Dr. Martin, CHART 1 shows the San Antonio, Texas area. We can see from this chart that it is home to two large military medical centers and a large number of civilian hospitals. This appears to be an example of an opportunity to eliminate a substantial portion of excess capacity, and, indeed, the Air Force facility, Wilford Hall, was on the Joint Cross Service Group list of realignment alternatives. Yet neither facility is on the DOD list.

Dr. Martin, why is this?

General Blume, why did the Air Force choose not to realign Wilford Hall to either a clinic, as the Joint Cross Service Group alternative suggests, or a community hospital?

General Shane, do you believe there is a surplus of medical center beds in San Antonio? If so, why did the Army build the new facility at Fort Sam Houston?

Military Medical Centers -- San Antonio, Texas



Defense Base Closure and Realignment Commission

4. Dr. Martin, in meetings with Commission staff, you've discussed plans to change Wilford Hall into a community hospital configuration, while consolidating graduate medical education at Brooke Army Medical Center.

What is the status of this plan?

Are you comfortable with the Army and Air Force plans to enact this alternative through the budget process? If not, do you feel that Commission action could better ensure that the necessary realignment takes place?

Given the unique aspects within both the Brooke Army Medical Center and Wilford Hall, would you envision any actual infrastructure operating efficiencies by a consolidation? Would you actually be able to close a facility by consolidation?

REQUIREMENTS

1. Dr. Martin, CHART 2 shows the current inventory of military hospitals and hospital beds in the United States as taken from the Joint Cross Service Group's linear programming model dataset.

Does the Department need all of these hospitals and beds? How many staffed, operating military hospital beds does the Department need to meet peacetime requirements?

How many beds are needed to meet the readiness requirement of two major regional contingencies (MRCs)? Do the beds needed to support wartime requirements come from the operating total or the expanded bed total?

Are Department of Veterans Affairs Medical Center beds counted as being available to satisfy any of the wartime (2 MRC) or peacetime requirements?

Are civilian beds, particularly at hospitals enrolled in the National Disaster Medical System, a part of this equation?

2. Dr. Martin, we understand that there is some disagreement within the Department in the area of wartime readiness requirements for hospital beds, and we know that this is not something that this Commission is going to solve.

However, do even the highest estimates of required wartime beds exceed the current inventory of over 20,000 mobilization beds?

Military Hospitals -- U.S.

	Hospitals	Operating Beds	Available Beds	Expanded Beds
Army	32	4,751	7,464	9,682
Navy	19	2,395	3,383	3,865
USAF	48	2,538	4,761	6,501
Total	99	9,684	15,608	20,048

Source: JCSG Linear Programming Model Dataset

**CLOSURE IMPACTS/DOD INITIATIVES TO MITIGATE ADVERSE
EFFECTS**

1. Dr. Martin, the Commission has been receiving many letters from people worried about their access to health care services if “their” military hospital closes. Most of these letters are from retirees, many of whom are age 65 or over and no longer eligible for CHAMPUS. Beyond their worries about access, many of these letters talk in very heartfelt terms about promises of lifetime medical care that will be broken with the closure of a hospital.

Would you please tell us about just who is entitled to care in DOD medical facilities?

What are the priorities for treating beneficiaries in DOD medical facilities?

2. Dr. Martin, would you please describe what you see as the impact of closures and realignments on the users of closed or realigned hospitals, as well as any DOD or Service programs that will be put in place to mitigate the impacts on these people?

SERVICE'S RESPONSES TO JOINT CROSS SERVICE GROUP ALTERNATIVES

1. Dr. Martin, eleven of the sixteen alternatives provided to the Services by the Joint Cross Service Group were not accepted.

Are you satisfied that the DOD list goes as far as it should in reducing medical infrastructure? In your opinion, do the eleven rejected alternatives represent missed opportunities?

2. General Shane, would you please explain why the Army accepted some of the Joint Cross Service Group alternatives but not others?

3. Mr. Pirie, would you please explain why the Navy did not accept either of the two Naval Hospital realignment alternatives on the Joint Cross Service Group list?

4. Based on documents provided to the Commission and discussions with Commission staff, our understanding is that the Army and the Navy both performed COBRA analyses for all of the Joint Cross Service Group alternatives, but that the Air Force did not perform any.

General Blume, is this correct? If so, why didn't the Air Force do the analyses needed to determine such an important aspect of the feasibility of the alternatives?

General Blume, did the Air Force actively participate in the Joint Cross Service Group effort? Why?

Dr. Martin, if the Air Force wasn't going to consider the Joint Cross Service Group alternatives, why did the Joint Group bother to consider Air Force Hospitals at all?

Medical Joint Cross Service Group Alternatives

CLOSE

Fitzsimons Army Medical Center, CO*

REALIGN TO CLINIC

Fort McClellan, AL*

Fort Rucker, AL

Fort Meade, MD*

Fort Belvoir, VA

Fort Lee, VA*

Naval Hospital Beaufort, SC

Naval Hospital Corpus Christi, TX

Scott AFB, IL

Wright-Patterson AFB, OH

Shaw AFB, SC

Reese AFB, TX*

Sheppard AFB, TX

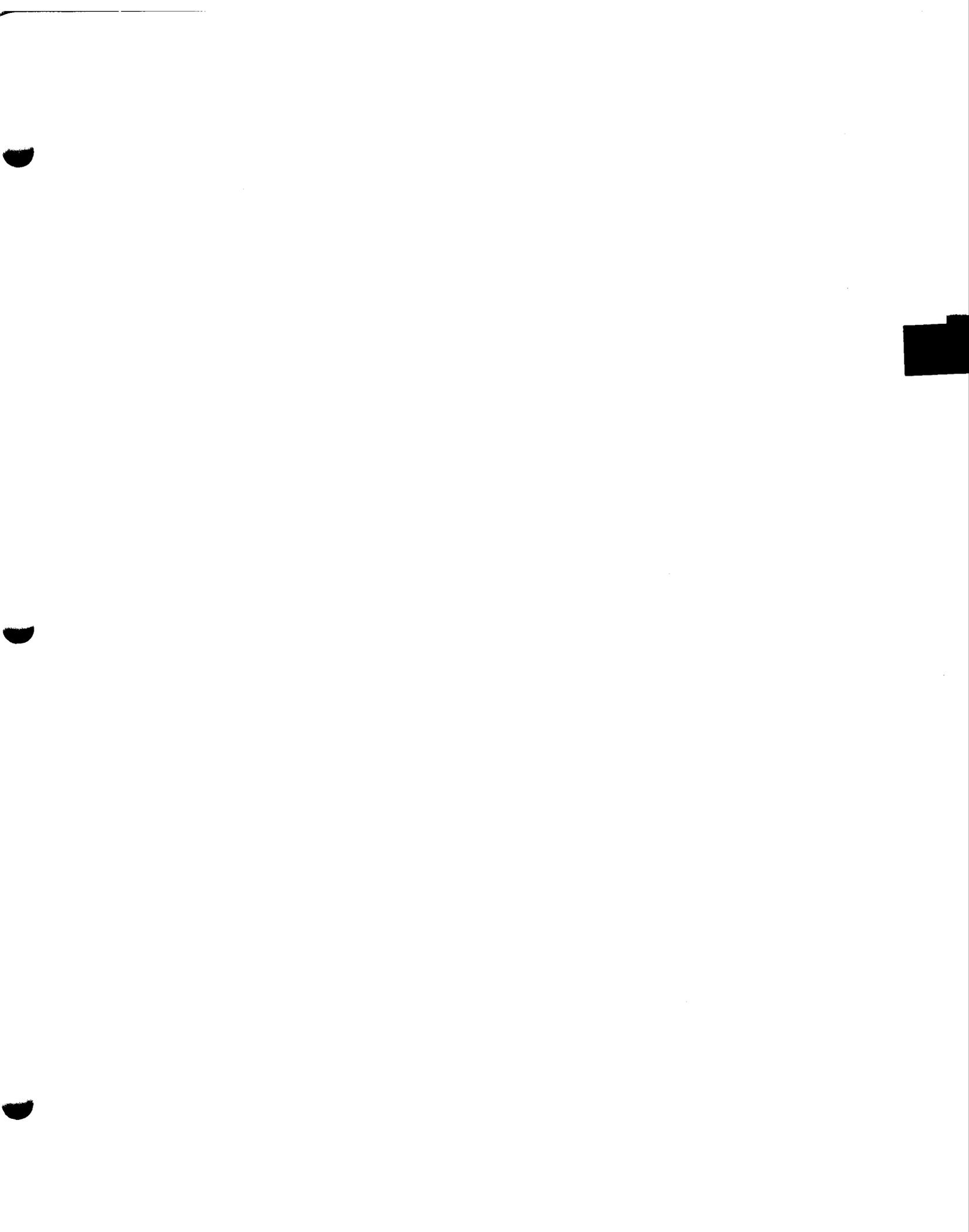
Langley AFB, VA

Air Force Academy, CO

Wilford Hall Medical Center, TX

**** Hospitals on DOD BRAC List***

Defense Base Closure and Realignment Commission





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

ALAN J. DIXON, CHAIRMAN

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

OPENING REMARKS OF MR. MONTOYA

**LABS AND TEST & EVALUATION
JOINT CROSS SERVICE GROUPS**

**OUR FINAL GROUP OF THE DAY IS THE JOINT CROSS SERVICE GROUP
ON LABS AND TEST & EVALUATION.**

**WE ARE PLEASED TO HAVE WITH US THE CO-CHAIRS OF THE T&E
GROUP, MR. PHILIP E. COYLE, WHO IS DIRECTOR OF OPERATIONAL TEST
AND EVALUATION, AND MR. JOHN A. BURT, WHO IS DIRECTOR OF TEST,
SYSTEMS ENGINEERING AND EVALUATION IN THE DEPARTMENT OF
DEFENSE.**

**WE ALSO HAVE WITH US DR. CRAIG DORMAN, DEPUTY DIRECTOR FOR
LABORATORY MANAGEMENT, WHO WAS THE LAB STUDY TEAM LEADER.**

IF YOU THREE GENTLEMEN WILL STAND, AND ANY OTHER BACKUP WITNESSES WHO MIGHT BE CALLED UPON TO ANSWER QUESTIONS , I WILL ADMINISTER THE OATH AND WE WILL BEGIN WITH COMMISSIONER'S QUESTIONS.

DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOU ARE ABOUT TO GIVE BEFORE THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION SHALL BE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

LABS, TEST AND EVALUATION JOINT CROSS SERVICE GROUPS

1. Dr. Jones, in summarizing the results of the Services' laboratory cross servicing, you wrote, and I quote: "The final results are disappointing and unbalanced. Cross-servicing is minor at best."

What is the impact of DoD's 1995 BRAC recommendations on excess laboratory capacity?

2. Dr. Jones, what would have been the impact on excess laboratory capacity if the Laboratory Joint Cross Service Group's four priority alternatives had been accepted by the Services and DoD?

SEE CHART #1

3. General Shane, why didn't the Army accept the applicable Laboratory Joint Cross Service Group's priority alternatives?

4. Mr. Nemfakos, why didn't the Navy accept the applicable Laboratory Joint Cross Service Group's priority alternatives?

5. General Blume, why didn't the Air Force accept the applicable Laboratory Joint Cross Service Group's priority alternatives?

6. Dr. Jones, in your view, what were the deficiencies in the process that allowed the Services to disregard the Laboratory Joint Cross Service Group's proposed priority alternatives?

7. Dr. Jones, in sum, you wrote, and I quote: "If we are to achieve desired results it appears that we have a system in which only a heavier handed instrument will suffice." Please explain this comment.

DoD LABORATORY JOINT CROSS SERVICE GROUP

PRIORITY ALTERNATIVES FOR SERVICE CONSIDERATION

- Consolidate most command, control, communications, computers, & intelligence (C4I) acquisition, research & development at Fort Monmouth, NJ.
- Consolidate air launched weapons' research, development, test & evaluation at Naval Air Warfare Center, China Lake, CA.
- Consolidate explosives at Armament Research Development Engineering Center, Picatinny Arsenal, NJ, and at Naval Air Weapons Center, China Lake.
- Consolidate propellants at Naval Air Warfare Center, China Lake.

8. Dr. Jones, in response to a Laboratory Joint Cross-Service Group data call, the Navy provided information that clearly outlined significant cross-service and federal agency use of two unique facilities at White Oak, Maryland: the Nuclear Weapons Effect facility and the Hypervelocity Wind Tunnel.

The Navy recommended, and the DoD endorsed, abandonment of these one-of-a-kind facilities.

Was the need for the continued operation of these facilities under a joint or consolidated arrangement addressed by the Test & Evaluation Joint Cross-Service Working Group? If not, why not?

CLOSURE AND REALIGNMENT OF ROME LABORATORY

1. Dr. Jones, it is our understanding that DoD's only recommended laboratory closure and/or realignment involving cross-servicing is closing Rome Laboratory and realigning its functions at Fort Monmouth, New York, and Hanscom Air Force Base, Massachusetts.

SEE CHART # 2

2. Dr. Jones, please explain the context in which your group proposed the closing of Rome Lab and the alternative for cross service collocation of common Command, Control, Communications, Computers, and Intelligence (C4I) activities at Fort Monmouth.

3. Dr. Jones, what organizations and how many personnel would have been located at Fort Monmouth under this alternative?

4. Mr. Nemfakos, why didn't the Navy realign the C4I functions of its Space and Naval Warfare Systems Command and its approximately 910 personnel positions at Fort Monmouth as suggested by the Laboratory Joint Cross Service Group?

5. General Blume, why did the Air Force decide to move most of Rome Laboratory to Hanscom Air Force Base, rather than moving the lab to Fort Monmouth, as suggested by the Laboratory Joint Cross Service Group?

6. Dr. Jones, as you know, Rome was designated as one of the Air Force's four Tier I laboratories. As Director of Defense Research and Engineering, are you concerned that closing the lab and moving some of its C4I functions to Fort Monmouth and the others to Hanscom Air Force Base will have a major impact on the DoD's and the Services' ability to conduct current and further C4I research and development?

7. Dr. Jones, in your view does it make sense to split Rome Lab's C3I functions between two military installations?

Rome Laboratory

The Proposed Relocation

Current Directorates

Intelligence & Reconnaissance
Command, Control, & Communications
Electromagnetics & Reliability
Surveillance & Photonics

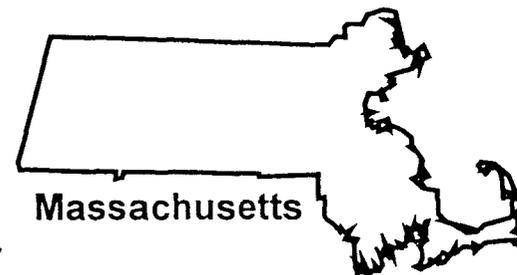


Proposed Thrust

Electromagnetics & Reliability
Total of 77 Positions

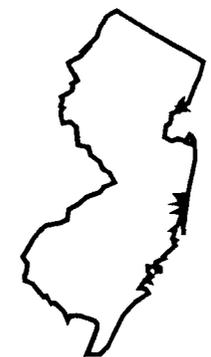
Proposed Thrust

Electromagnetics
Intelligence
Surveillance
Software Technology
Command and Control
Space Communications
Total of 595 Positions



Proposed Thrust

EM/Reliability
Photonics
Computer Systems
Comm Networks
Radio Comm
Total of 283 Positions



8. Dr. Jones, the Army was planning to locate the functions and personnel positions from Rome Laboratory into facilities at Fort Monmouth's Myer Center, which is currently occupied by the Army's Electronic Technology Device Laboratory. This lab is to move to the Army Research Laboratory at Adelphi, Maryland, as the result of a 1991 BRAC decision to consolidate Army laboratories.

Does it make sense from a joint cross servicing perspective to move the Army's lab, which performs C4I functions, including DoD's flat screen display research and development, from Fort Monmouth while moving Rome laboratory's related C4I functions to Fort Monmouth?

9. General Blume, how did the Air Force determine the cost and savings of the Rome Laboratory recommendation? Did anyone from the Air Force involved in the decision to close the lab and realign its functions visit the lab before the recommendation was made to: (1) discuss these actions with the lab's managers, (2) evaluate the impact of these actions on the lab's current and future C4I work, (3) determine the Lab's requirements at the receiving locations, and (4) determine what had to be moved to the new location and at what cost?

10. General Blume, it has been suggested the Air Force's costs associated with closing and realigning Rome Laboratory are understated and the Lab's moving costs, requirements for space, communications equipment and networks have not been determined, as of April 7, 1995. For example:

--The Air Force's total one-time moving cost is \$6.8 million but it is for moving only four major pieces of equipment. There is only \$152,000 for freight for moving every thing else.

--Rome Laboratory has an Electromagnetic Environmental Effects Research Center containing equipment, including a large anechoic chamber, with an estimated current replacement value of \$17.4 million. Replacement costs were not included in the Air Force's Cost of the Base Realignment Actions (COBRA).

General Blume, is the Air Force planning to take another look at the costs of this proposed move? When will a revised COBRA be made available to the Commission?

BROOKS/ARMSTRONG LABORATORY

1. Major General Blume, in all of DoD capacity, approximately 35-40% of human systems research and technology development is conducted at Brooks AFB. 15-20% is conducted at Wright-Patterson AFB, Ohio, and the remaining 40-50% is conducted by the Army and the Navy at 15-17 separate sites.

The Joint-Cross Service Groups recommended the consolidation of Army and Navy human systems lab functions at Brooks and Wright-Patterson. It also found that Brooks has more capacity and a higher functional value than Wright-Patterson.

Given all of this, why did the Air Force recommend the closure of Brooks?

Major General Shane and Mr. Nemfakos, were you considering moving these functions to Brooks prior to finding out that Brooks was closing?

In addition, since the current DoD recommendation is to close Brooks completely and move most of the personnel and functions elsewhere, how can there be a great deal of cost savings? How could an accurate estimate be generated without a transition plan?

2. Major General Blume, one of the main reasons Brooks Air Force Base scored low in military value is that it does not have an active runway. However, there are several active military runways in San Antonio, and the primary functions at Brooks are laboratory and research-related, and therefore do not require an active runway.

Did DoD consider a runway foremost in its assessment of the military value of Brooks? If so, why?

3. Major General Blume, during the Commission's visit of Brooks, the San Antonio community presented a plan to establish a cantonment area, close Brooks, and preserve the functions of the Human Systems Center, that is Armstrong Laboratory, the School of Aerospace Medicine, and the Human Systems reasearch.

Had the Air Force considered this option previously?

Will you be sure the COBRA results already requested by the Commission on this matter be submitted to us prior to 1 May 95?

OTHER LABORATORY ISSUES

1. Major General Blume and Dr. Dorman, the current DoD recommendations dictate that the Aircrew Training Research Division of Armstrong Laboratory remain as a stand-alone facility at the closed Williams Air Force Base.

Nearby Luke Air Force Base already conducts the majority of the fighter weapons training for the Air Force, and has a long history of cooperation with Williams.

How strongly did the Air Force consider moving this unique and necessary function from Williams Air Force Base to Luke Air Force Base? Have any COBRA runs performed?

2. In 1990, the Secretary of Defense announced his intention to close the Los Angeles Air Force Base, including the laboratory function, and move it to Kirtland Air Force Base.

What has happened in the years since that time to change the earlier Secretary of Defense announcement?

TEST AND EVALUATION GENERAL QUESTIONS

1. Mr. Burt, the alternatives from the Joint Cross Service Group are displayed before you. **SEE CHART # 3**

Do you still support these as the ways to reduce excess capacity in the Test and Evaluation area?

Mr. Burt, what percent of the excess capacity Test and Evaluation would be eliminated if your alternatives were adopted?

2. Mr. Burt and Mr. Coyle, virtually no reductions in Test and Evaluation capacity resulted from the Services' recommendations.

Why was the Joint Cross Service Group so unsuccessful in convincing the individual Services to consolidate activities?

3. Major General Blume, why did the Air Force not implement any of the recommendations of the Joint Cross-Service Group?

4. Mr. Nemfakos, why did the Navy not implement any of the recommendations of the Joint Cross Service Group?

5. Major General Blume, the Joint Cross Service Group stated "electronic combat Test and Evaluation capability at Eglin and China Lake have approximately 85% overlap." The recommendation was to move China Lake test assets to Eglin.

Why is the Air Force, in light of this alternative, proposing to move Electronic Combat Testing from Eglin Air Force Base to Nellis Air Force Base?

What will the cost for this move of Electronics Combat Testing to Nellis Air Force Base?

Will there be a scheduled delay and a negative impact on programs from this proposed move of Electronic Combat Testing to Nellis Air Force Base?

JCSG PROPOSAL — CORE REDUCTIONS ALTERNATIVES

- PAX River T&E missions primarily to Edwards OR
- Edwards T&E missions primarily to PAX River
- If either is enacted, consolidate Army air vehicle T&E to the receiving site

- Eglin T&E missions primarily to China Lake OR
- China Lake T&E missions primarily to Eglin

- Pt. Mugu T&E missions primarily to China Lake OR to Eglin

Mr. Nemfakos, did the Navy consider the alternative to move China Lake T&E missions primarily to Eglin?

6. Mr. Nemfakos, did the Navy consider moving the test activities from Pt. Mugu to Eglin Air Force Base to eliminate excess test infrastructure?

Would this be the prudent course to follow considering the excess capacity identified by the Joint Cross-Service Group?

6. General Blume, the Joint Cross-Service Group recommended that the relocation of the Air Force Electronic Warfare Evaluation Simulator Activity at Fort Worth, Texas, and the Real-Time Digitally Controlled Analyzer Processor Activity at Buffalo, New York (simulation systems) be moved to Patuxent River or to Edwards Air Force Base.

The Air Force rejected both recommendations, and instead, recommended to move these activities to Nellis Air Force Base. Why?

Did you conduct cost evaluations on the alternatives?

If so, would you please provide them to the Commission as soon as possible?

7. Mr. Coyle, the Joint Cross Service Group on Test and Evaluation put forth the alternative to consolidate Airborne Weapons testing at Eglin Air Force Base eliminating these missions at China Lake and Point Mugu.

Do you still support this alternative?

8. Mr. Coyle, since you recommended the consolidation of testing at the Eglin Air Force Base Test Range, does the proposed movement by the Air Force of the Electromagnetic Test Environment effort to Nellis Air Force Base eliminate the opportunity to consolidate DoD electronic testing?

9. General Blume, what are the estimated costs for movement of this Electronic Combat Testing from Eglin Air Force Base to the Nellis Air Force Base?

Document Separator

PAUL S. SARBANES
MARYLAND

709 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
202-224-4624

United States Senate
WASHINGTON, DC 20510-2002

Please refer to this number
950417-1

April 14, 1995

Commissioner Rebecca G. Cox
Defense Base Closure and Realignment Commission
1700 N. Moore Street
Arlington, Virginia 22209

Dear Commissioner Cox:

As you know, Mr. Philip E. Coyle, Director of Operational Test and Evaluation, Department of Defense is scheduled to testify before the BRAC on Monday on the Joint Cross Service Groups for Laboratories, Test and Evaluation.

It is our understanding that Mr. Coyle has visited NSWC White Oak twice in the past two weeks and has expressed serious concerns about the potential loss of the hypervelocity wind tunnel and other unique facilities at White Oak. We would appreciate it if you would ask Mr. Coyle his views on the DOD recommendation to close White Oak and have attached some suggested questions for your consideration.

Thank you for your attention in this matter.

With best regards,

Sincerely,


Barbara A. Mikulski
United States Senator


Paul S. Sarbanes
United States Senator

During testimony before the Commission on March 1, General Shalikashvili expressed concerns about how the proposed closure of the Naval Surface Warfare Center at White Oak, Maryland, would affect the hypervelocity wind tunnel located there. Do you have similar concerns?

Were the hypervelocity wind tunnel and the nuclear weapons effects simulation facility at NSWC White Oak considered by the Test and Evaluation or Laboratory Joint Cross Service Groups?

(To the extent not stated in previous response) Is it your view that this wind tunnel must continue to stay in operation, either by the Navy or some other agency, at White Oak or some other location?

(To the extent not stated in previous responses) The certified data call responses indicate that the U.S. government has no other wind tunnel with the capabilities of the one at White Oak. Is this the case?

Document Separator

SAM FARR
 17TH DISTRICT, CALIFORNIA

COMMITTEE ON AGRICULTURE
 SUBCOMMITTEES:
 DEPARTMENT OPERATIONS, NUTRITION
 AND FOREIGN AGRICULTURE
 RISK MANAGEMENT AND SPECIALTY CROPS

COMMITTEE ON RESOURCES
 SUBCOMMITTEES:
 FISHERIES, WILDLIFE AND OCEANS
 WATER AND POWER RESOURCES

1117 LONGWORTH BUILDING
 WASHINGTON, DC 20515-0517
 (202) 225-2861

DISTRICT OFFICES

380 ALVARADO STREET
 MONTEREY, CA 93940
 (408) 649-3555

100 WEST ALisal
 SALINAS, CA 93901
 (408) 424-2278

701 OCEAN STREET
 ROOM 318
 SANTA CRUZ, CA 95060
 (408) 429-1976

Congress of the United States
House of Representatives
 Washington, DC 20515-0517

April 14, 1995

The Honorable Alan Dixon
 Chairman
 Base Closure And Realignment
 Commission
 1700 N. Moore St., Suite 1425
 Arlington, Virginia 22209

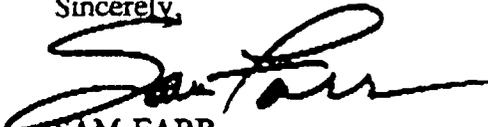
Please refer to this request
 when recording 950414-11

Dear Mr. Chairman:

I am writing at this time to request the Base Closure and Realignment Commission to ask the following questions to Mr. Phil Coyle, Director of DoD Operational Test and Evaluation during the April 17, 1995 investigative hearing. I believe all of these questions are critical to developing an understanding of the potential impacts realigning the Test and Experimentation Center at Fort Hunter Liggett to Fort Bliss may have on DoD's ability to carry out the operational phase of testing.

1. As the person responsible for operational testing in DoD, you state in your February 10, 1995 memorandum to the Assistant Secretary of Defense for Economic Security (Economic Reinvestment & BRAC) that the recommendation to realign Fort Hunter Liggett is a "showstopper." Please explain.
2. We understand that there are conditions at Fort Hunter Liggett which enhance it as a site for performing operational testing. These include: a varied terrain, isolation, no artificial light contamination and no radio frequency interference. Do these conditions exist at Fort Bliss? If not, could they be created?
3. From a military value standpoint is the "laser-safe bowl" (which allows for non-eye safe laser testing in an instrumented valley) at Fort Hunter Liggett a critical component of operational testing?
4. Do you think the instrumentation suite (used to monitor and record every player's activity during a test) could be duplicated at Fort Bliss? If so, would it be as effective?
5. From a military value standpoint, is Fort Hunter Liggett essential to operational testing to DoD?

Thank you for your consideration of this request. I look forward to learning about the responses to the above referenced questions.

Sincerely,

 SAM FARR
 Member of Congress



OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000



CLOSE HOLD - FOR OFFICIAL USE ONLY - BRAC SENSITIVE

10 February 1995

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE FOR ECONOMIC
SECURITY (ECONOMIC REINVESTMENT AND BRAC)

SUBJECT: Functional Assessment of Proposed Military Department
Base Realignment and Closure Actions

Proposed BRAC actions by the MILDEPs as available on 9 February 1995, have been reviewed, and except as identified in the attachments, determined to be acceptable from the perspective of the DoD test and evaluation mission. Of those in the attachments, two are considered to be major showstoppers (regarding Dugway Proving Grounds and Fort Hunter-Liggett), and another a minor showstopper (Tunnel 9 inclusion in the White Oak closure). The remainder are considered incomplete requiring additional alternatives to be analyzed before we can agree to them.

Philip E. Coyle
Director, Operational
Test and Evaluation

John R. Burr
Director, Test
Systems Engineering and
Evaluation

Attachments: 2/s

CLOSE HOLD - FOR OFFICIAL USE ONLY - BRAC SENSITIVE

Document Separator

JAMES V. HANSEN
1ST DISTRICT UTAH

COMMITTEES
ARMED SERVICES
STRATEGIC AND
REGULAR ARMY
STANDARDS OF OFFICIAL
CONDUCT
NATIONAL OFFICE
ROOM 247
ARMY-HOUSE OFFICE BUILDING
WASHINGTON, DC 20540-4401
202-755-3463

Congress of the United States

House of Representatives

Washington, DC 20515-4401

DISTRICT OFFICES
1017 FEDERAL BUILDING
374 25TH STREET
CODY WY 82401
(307) 573-0382
(307) 573-5677
(307) 573-1421
475 EAST PARKWAY
ST. GEORGE UT 84770
(801) 676-0771

April 14, 1995

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

RE: HEARING ON APRIL 17, 1995

Dear Chairman Dixon:

I am writing to ask your assistance in having the following questions regarding U.S. Army Dugway Proving Grounds asked of a witness from the Office of the Secretary of Defense, Dr. Phillip S. Coyle, the Director of Operational Test and Evaluation, who will be before your panel on Monday, April 17, 1995.

QUESTIONS FOR DR. PHILLIP E. COYLE

1- Can you explain to the commission your position on the Army's recommendation to realign biological and chemical test and evaluation missions from Dugway Proving Grounds as outlined in the memorandum you signed dated February 10, 1995? (See enclosure).

2- From a military value standpoint, do you feel it is essential to keep chemical, biological, and smoke/obscurant testing at Dugway Proving Grounds rather than moving these missions to Yuma Proving Ground or Aberdeen Maryland?

3- Can you outline for the commission the unique features of Dugway Proving Ground which cannot be replicated elsewhere?

4- In your memo dated February 10, 1995, (see above), you indicated that since Dugway conducted chem/bio testing for all of the services, that each of the services would have to sign-off and agree that their services' testing needs could still be met under the Army's recommendation for Dugway. To your knowledge, did the Department of Defense or the Army check with the other services prior to the final recommendation coming forward from the Army?

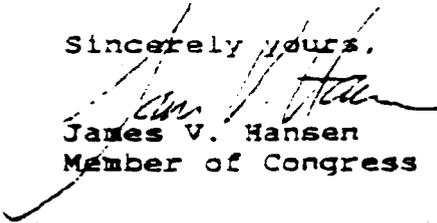
The Honorable Alan J. Dixon

PAGE 2:

April 14, 1995

Thank you, Mr. Chairman, for your assistance and attention to this important matter.

Sincerely yours,


James V. Hansen
Member of Congress

cc: Honorable S. Lee Kling
Honorable Wendi Steele

Enclosure



OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000



CLOSE HOLD - FOR OFFICIAL USE ONLY - BRAC SENSITIVE

10 February 1995

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE FOR ECONOMIC
SECURITY (ECONOMIC REINVESTMENT AND BRAC)

SUBJECT: Functional Assessment of Proposed Military Department
Base Realignment and Closure Actions

Proposed BRAC actions by the MILDEPs as available on 9 February 1995, have been reviewed, and except as identified in the attachments, determined to be acceptable from the perspective of the DoD test and evaluation mission. Of those in the attachments, two are considered to be major showstoppers (regarding Dugway Proving Grounds and Fort Hunter-Liggett), and another a minor showstopper (Tunnel 9 inclusion in the White Oak closure). The remainder are considered incomplete requiring additional alternatives to be analyzed before we can agree to them.

Philip E. Coyne
Director, Operational
Test and Evaluation

John A. East
Director, Test
Systems Engineering and
Evaluation

Attachments: a/s

CLOSE HOLD - FOR OFFICIAL USE ONLY - BRAC SENSITIVE



CLOSE HOLD - FOR OFFICIAL USE ONLY - BRAC SENSITIVE

ISSUE

The Army's proposal to realign Dugway Proving Grounds to relocate the "chemical-biological research" mission to Aberdeen/Edgewood should be challenged, and the alternative of relocating the chem-bio mission from Aberdeen/Edgewood to Dugway investigated. And rationale for relocating the smoke-obscurant mission to Yuma Proving Grounds is not clear.

RATIONALE

1. Dugway occupies valuable land and airspace to the test and evaluation mission that can't be conducted elsewhere without high risks of environmental and security compromise, and needs to be preserved as a national asset for such purposes. Test missions ranging from electronic combat, cruise missiles, high performance aircraft, munitions and armament delivery, and artillery, as well as chemical-biological testing, are typically conducted at this location because of its unique geographic features.

2. Moving levels 2 and 3 chemical-biological agent "research" to Aberdeen/Edgewood is high risk. Edgewood is in and near highly populated areas (including Baltimore), as well as near major bodies of water (Chesapeake Bay), where accidents or miscalculations can result in environmental impact with little chance for timely control.

3. Costs to duplicate at Edgewood the recently constructed new facilities and capabilities that are at Dugway will be an unnecessary tax burden. Other facilities at Edgewood would likewise have to undergo major repairs at additional costs.

- Differentiation between "research" and testing is not identified in one written Memorandum of Agreement between all three Military Departments under T&E Reliance. Dugway is the site where all DoD testing of chem-bio programs will be tested - Agreement by the other Military Departments would be required along with agreement that all of their requirements can be satisfied at Edgewood.

RECOMMENDATION

Army withdraw proposal to change status of Dugway, and instead develop proposal to relocate and consolidate all chem-bio testing and research activities to Dugway.

CLOSE HOLD - FOR OFFICIAL USE ONLY - BRAC SENSITIVE

Document Separator

ALBERT R. WYNN
4TH DISTRICT, MARYLAND
COMMITTEE ON BANKING
AND FINANCIAL SERVICES
COMMITTEE ON
INTERNATIONAL RELATIONS



- WASHINGTON OFFICE
- 418 CANNON HOUSE OFFICE BLDG
WASHINGTON, D.C. 20515-2004
(202) 725-9688
- DISTRICT OFFICES
- 9200 BASH COURT, #318
LANOVER, MD 20785
(301) 773-4094
 - 8601 GEORGIA AVENUE, #201
SILVER SPRING, MD 20910
(301) 588-7328
 - 5009 OXON HILL ROAD, #208
OXON HILL, MD 20745
(301) 839-5570

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-2004

April 13, 1995

Honorable Alan Dixon
Chairman
Defense Base Closure and Realignment Commission
1700 N. Moore Street
Suite 1425
Arlington, VA 22209

Please refer to the routing
when recording 950414-4

Dear Mr. Chairman:

As you are well aware I, along with the rest of the Maryland Congressional delegation, am very concerned about the Department of Defense's recent recommendations to overturn the 1993 BRAC decisions with respect to the Naval Surface Warfare Center - White Oak as part of the 1995 BRAC process.

It is my understanding that some officials at the Pentagon are concerned about losing the unique facilities that currently exist at White Oak. I have attached some questions which I would appreciate your asking Philip Coyle, Director of Operational Test and Evaluation at the Pentagon, during the Commission's hearing on Monday, April 17.

Thank you for your time and attention on this important matter.

Sincerely,

Albert R. Wynn
Member of Congress

Page 2

Questions submitted for the record by Congressman Albert Wynn.

NSWC-White Oak

Q. During testimony before the Commission on March 1, General Shalikashvili expressed concerns about how the proposed closure of the Naval Surface Warfare Center at White Oak, Maryland, would affect the hypervelocity wind tunnel located there. Do you have similar concerns?

Q. Is it your view that this wind tunnel must continue to stay in operation, either by the Navy or some other agency, at White Oak or some other location?

Q. Just to clarify, the certified data call responses indicate that the US government has no other wind tunnel with the capabilities of the one at White Oak. Is this the case?

Document Separator

JOE SCARBOROUGH
1st District, Florida
NATIONAL SECURITY
COMMITTEE
GOVERNMENT REFORM AND
OVERSIGHT COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515-0901

WASHINGTON OFFICE:
1823 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20516
(202) 225-4138
DISTRICT OFFICES:
3408 BAYOU BOULEVARD
SUITE 27
PENSACOLA, FL 32503
(904) 479-1183
348 S.W. MIRACLE STRIP PARKWAY
SUITE 21
FORT WALTON BEACH, FL 32548
(904) 564-1268

April 7, 1995

The Honorable Alan Dixon
Chairman, Base Realignment and Closure Commission
1700 North Moore St
Suite 1425
Arlington, VA 22209

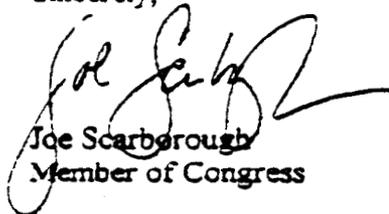
Dear Chairman Dixon:

I understand the Defense Base Closure and Realignment Commission will hold a hearing on April 17, 1995 concerning Joint Cross Service Group recommendations to the Secretary of Defense.

As part of this review, I would like to submit the attached questions to be answered by the witnesses representing the Joint Cross Service Group for Labs, Test and Evaluation. If these questions can not be asked at the hearing, I would like to submit them for the record.

I appreciate your assistance on this issue.

Sincerely,


Joe Scarborough
Member of Congress



DEFENSE BASE REALIGNMENT AND CLOSURE COMMISSION
Questions for Test & Evaluation Joint Cross Service Group Witnesses
on 17 April 1995

1. The Board of Directors Report of February 1994 addressed the question of consolidating DoD Electronic Combat (EC) Open Air Ranges from three (Eglin, China Lake, and the Nellis complex) to two. The report cited clear financial and capability reasons for closing China Lake's EC open air range and leaving Eglin to complement the Nellis complex. In November 1994, T&E Joint Cross Service Group (JCSG) optimization model output results based upon JCSG-developed functional values, projected workload, and capacities identified closing China Lake as the DoD alternative to analyze. Similar opportunities appear to exist in Armament/Weapons T&E. These JCSG results were developed by the most knowledgeable individuals in DoD on the T&E issue. It appears that cross-servicing alternatives involving these "core" T&E activities were ground ruled out. Why didn't DoD analyze these cross-service opportunities?

2. The 1995 Defense Authorization bill prohibited DoD from spending any money to move Electronic Combat equipment from the Eglin range until DoD delivered an Electronic Combat Master Plan to the Congress. Considering this direction and the JCSG-cited superiority of the Eglin Electromagnetic Test Environment (EMTE) to all other DoD ranges evaluated, why has the Air Force chosen to dismantle the Eglin EMTE and replicate it in the Nellis complex, essentially eliminating forever the opportunity to consolidate DoD EC testing and realize the significant savings the JCSG identified?





DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

1700 NORTH MOORE STREET SUITE 1425

ARLINGTON, VA 22209

703-696-0504

March 23, 1995

Honorable John M. Deutch
Deputy Secretary of Defense
The Pentagon, Room 3E944
Washington, D.C. 20301

Dear Mr. Secretary:

The Defense Base Closure and Realignment Commission is continuing its review of the Defense Department's recommendations to close or realign military installations in the United States. As part of this review, the Commission would like to invite the head of each of the Joint Cross Service Groups to testify with a witness from each of the military departments at a hearing on April 17, 1995, in Room SH-216 of the Hart Senate Office Building.

The Commission will receive testimony from the General Accounting Office from 8 a.m. to 10 a.m. at this hearing. Following the GAO testimony, the Commission would like to ask questions of the head of each Joint Cross Service Group in the following order:

Depot Maintenance	10 a.m.-noon
Undergraduate Pilot Training	1 p.m.-2 p.m.
Medical	2 p.m.-3 p.m.
Labs, Test and Evaluation	3 p.m.-4 p.m.

Each panel will include the Joint Cross Service Group witness along with a witness from each military department who should be prepared to address how their military department dealt with the Joint Cross Service Group alternatives in that area.

In order to have the maximum amount of time for questions, the Commission will dispense with opening statements by the witnesses and proceed directly to questions in each panel. If any of the witnesses wish to submit prepared testimony to the Commission, 150 copies of the testimony should be provided to the Commission no later than April 13. If your staff has any questions, they should contact Mr. Ben Borden of the Commission staff.

Thank you for your continuing assistance to the work of the Defense Base Closure and Realignment Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. Dixon". The signature is fluid and cursive, with the first name "Alan" written in a large, looping script.

Alan J. Dixon
Chairman

Document Separator



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

March 23, 1995

Honorable Charles A. Bowsher
Comptroller General
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Bowsher:

The Defense Base Closure and Realignment Commission is continuing its review of the Secretary of Defense's recommendations to close or realign military installations in the United States. As you know, the Defense Base Closure and Realignment Act of 1990 requires the Comptroller General of the United States to transmit to the Congress and the Commission "a detailed analysis of the Secretary's recommendations and selection process" no later than April 15.

I would like to invite you, or your designated representative, to present the results of your analysis to the Commission at a hearing on Monday, April 17. As part of your testimony, the Commission is particularly interested in hearing the General Accounting Office's views on the costs and savings projected by the Secretary of Defense in his base closure and realignment recommendations.

The hearing will be held in Room SH-216 of the Hart Senate Office Building beginning at 8 a.m. Since the Commission will also be receiving testimony from Department of Defense witnesses during the hearing, we anticipate GAO's testimony will last approximately two hours. In order to allow time for Commissioners to ask questions, the GAO witness should limit any opening remarks to 10 minutes.

Please provide 150 copies of GAO's prepared remarks to the Commission by Thursday, April 13. If your staff has any questions, they should contact Mr. Ed Brown of the Commission staff.

Thank you for your continuing assistance to the Commission. I look forward to GAO's testimony on April 17.

Sincerely,



Alan J. Dixon
Chairman