

**DEFENSE BASE CLOSURE
AND REALIGNMENT
COMMISSION**



INVESTIGATIVE HEARINGS

MARCH 7TH, 1995

**ROOM 106
DIRKSEN SENATE OFFICE BUILDING**

WASHINGTON, D.C.



**Frank Cirillo
Air Force Team Leader**

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**HEARING AGENDA
MARCH 7, 1995
SD-106 DIRKSEN BUILDING**

9:00AM - 11:30AM MORNING SESSION:

Witness: The Honorable Togo D. West, Jr.
 Secretary of the Army

 General Gordon R. Sullivan
 Chief of Staff of the Army

 The Honorable Robert M. Walker
 Assistant Secretary of the Army (Installations, Logistics,
 and Environment)

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

11:30AM Press Availability

12:00PM - 1:30PM Lunch: SD-124

1:30PM - 4:00PM AFTERNOON SESSION:

Witnesses: Major General Lawrence P. Farrell, Jr., USAF
 Principal Deputy Director, Defense Logistics Agency

 Mr. John F. Donnelly
 Director, Defense Investigative Service

4:00PM Press Availability





DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
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INTRODUCTORY REMARKS OF SENATOR DIXON

MORNING HEARING

MARCH 7, 1995

WASHINGTON, DC

GOOD MORNING, LADIES AND GENTLEMEN AND WELCOME.

THIS IS THE THIRD OF FOUR HEARINGS HELD YESTERDAY AND TODAY AT WHICH THE COMMISSION IS HEARING FROM AND QUESTIONING THE SECRETARIES OF THE MILITARY DEPARTMENTS, THEIR CHIEFS OF STAFF AND THE DIRECTORS OF DEFENSE AGENCIES REGARDING PROPOSED BASE CLOSURES AND REALIGNMENTS THAT AFFECT THEIR SERVICE OR AGENCY.

WE ARE PLEASED TO HAVE WITH US THE HONORABLE TOGO D. WEST, JR., THE SECRETARY OF THE ARMY; GENERAL GORDON D. SULLIVAN, THE CHIEF OF STAFF OF THE ARMY; THE HONORABLE ROBERT M. WALKER, ASSISTANT SECRETARY OF THE ARMY FOR INSTALLATIONS, LOGISTICS AND ENVIRONMENT; AND BRIGADIER GENERAL JAMES E. SHANE, JR., DIRECTOR OF MANAGEMENT OF THE OFFICE OF THE CHIEF OF STAFF.

BEFORE WE BEGIN WITH SECRETARY WEST'S OPENING STATEMENT, LET ME SAY THAT IN 1993, AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994, THE BASE CLOSURE AND REALIGNMENT ACT WAS AMENDED TO REQUIRE THAT ALL TESTIMONY BEFORE THE COMMISSION AT A PUBLIC HEARING BE PRESENTED UNDER OATH.

AS A RESULT, ALL OF THE WITNESSES WHO APPEAR BEFORE THE COMMISSION
THIS YEAR MUST BE SWORN IN BEFORE TESTIFYING.

SECRETARY WEST, GENERAL SULLIVAN, MR. WALKER AND GENERAL SHANE,
WOULD YOU PLEASE RISE AND RAISE YOUR RIGHT HAND.

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

THANK YOU.

SECRETARY WEST, YOU MAY BEGIN.



**STATEMENT BY
THE HONORABLE TOGO D. WEST, JR
SECRETARY OF THE ARMY
BEFORE THE
DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
MARCH 7, 1995
WASHINGTON, D.C.**

INTRODUCTION

Good morning, Mr. Chairman and members of the Commission. General Sullivan and I appreciate the opportunity to discuss the Army's latest closure and realignment recommendations and we hope that our comments assist you in the extremely important business that you undertake.

Much has changed since the first Commission convened back in 1988, under the auspices of the Secretary of Defense. Restructuring our bases is just one of many important steps taken to adapt to changes in the global strategic environment and develop America's Army of the 21st century. For instance, since that first Commission, we have:

- reduced personnel by over 450,000 soldiers and civilians
- decreased the active component from 18 to 10 divisions
- restructured the Army National Guard from 10 to 8 divisions
- accelerated withdrawal of 145 battalion equivalents from Europe
- reduced war reserve stockpiles from 19 to 5 modern sites
- removed all Army nuclear weapons from Europe and began destruction of all stockpiles; and
- closed 77 installations in the U.S. and over 500 overseas; *more than half of all DoD base closures have been Army bases*

Approving these recommendations expands upon these changes and makes it possible for the Army to move into the 21st century unburdened by excess infrastructure. Paying for installations no longer needed has an unacceptable price - decreased readiness. The nation cannot afford this price, if its Army is to remain capable of doing whatever America asks, whether providing nation assistance in Haiti, conducting peace operations in Somalia or winning a major regional conflict in Southwest Asia.

Today's strategic environment demands different capabilities and infrastructure. Our installations perform a crucial role in power projection and have become the launching platforms for America's Army to carry out its responsibilities in serving this nation. Hence, we must take care not to jeopardize our ability to respond in the future. We cannot close installations that may later be essential. Many installations are precious national resources that deserve to be protected. Closing installations that might be needed in the future or which might have to be replaced at great cost is senseless. In our military judgment, using our best projections, there are no additional installations that should close. Nevertheless, it is important that an acceptable procedure exists to make further changes, if necessary. Therefore, I encourage the Commission to consider the failures of base closure attempts prior to the BRAC process as you prepare recommendations for future base closures.

Closing and realigning installations has been a major component of the Army's efforts to reshape itself for the better part of a decade. Overseas, we are closing 7 of every 10 sites as evidence of the shift from a forward deployed force to one relying upon forward presence. In the U.S., the Army has made great progress in previous BRAC rounds, closing 83 installations and realigning numerous others. There is much more to do. We cannot afford to let this final opportunity to restructure installations for the Army of the 21st century slip through our grasp without making some aggressive, bold choices.

SUMMARY OF RECOMMENDATIONS

Before I describe our 1995 process and recommendations, I must convey one thought. As we considered our 1995 recommendations, we discovered that the 1988, 1991 and 1993 BRAC actions affected those installations that were somewhat easier to close or realign. Every single 1995 recommendation was extremely difficult from the perspective of both our mission and our people.

The Army began preparing for this final round of the BRAC process 1 1/2 years ago. A staff of 20 analysts visited over 70 installations, collected volumes of data and investigated numerous options for closure and realignment. To provide an operational context for planning and analysis, we developed a stationing strategy which, derived from the National Military Strategy, developed guidelines to govern the stationing of forces and influence the types of installations needed for the future. This operational blueprint described parameters for eliminating excess infrastructure without jeopardizing future requirements. We followed the Department of Defense's selection criteria by devising and applying a set of quantitative measures to evaluate and compare installations, their assets, their value and their importance. A staff of 7 auditors checked and double-checked our calculations. Over 100,000 man hours -- more than 60 man years -- of effort were expended before arriving at our recommendations.

The Army recommends closing or realigning 44 installations and sites. These choices were difficult, but absolutely necessary. Our latest proposals surpass all of the Army's previous BRAC efforts in the U.S. combined. By following a strategy of minimizing cost and maximizing savings, we estimate spending only one-third of what is being spent to implement three previous rounds (88, 91 & 93). Our proposed closures and realignments will enable us to save more than \$700 million annually. That is 17% more than is presently being realized from all closures and realignments to date. We plan to reinvest these savings to maintain balanced programs in the areas of equipment modernization, quality of life and training - important components of current and future readiness.

Our proposals reduce infrastructure and overhead significantly:

- We are downsizing and reducing two maintenance depots with excess capacity;
- We are closing or realigning five major training installations and capitalizing upon the efficiencies of collocating three schools;
- We are closing three ammunition storage sites in accordance with a major restructuring plan;
- We are taking advantage of commercial ports on the eastern seaboard, enabling us to close a major port facility; and
- We are vacating several high cost leases and eliminating fifteen smaller sites that are not required.

We have profited from DoD's cross service examination across the Military Departments. The Joint Cross Service Groups support our depot and medical center recommendations.

Once again we seek to consolidate training for engineers, chemical specialists and military police to enhance training and reduce costs. This is the Army's and DoD's third attempt to accomplish this important undertaking. I recognize this has been an area of contention in the past. I would ask you to note the recommendation to close Fort McClellan received support from three successive Secretaries of Defense, two Chairmen of the Joint Chiefs of Staff, three Secretaries of the Army, spanning two different Administrations. I ask the Commission's careful consideration of this and all other recommendations.

CONCLUSION

Each successive Commission has helped us transform the Army to the demands of the 21st century. Without the BRAC process, we would be less effective in reshaping our infrastructure and reengineering our ways of doing business more efficiently. This is a collaborative effort and we look forward to working with the Commission in the months ahead. I am confident you will find our process consistent with all legal requirements and designed to produce the best recommendations possible. Throughout, our work has been rigorous and objective.

Let me emphasize that a decision to close or realign an installation is not just a business matter driven by bottom lines and cost analysis. This affects the lives and livelihoods of many men and women who have given years of dedicated service to the Army and the Nation. We ask much of our employees and families who are affected by these difficult decisions. The surrounding communities, who have supported our soldiers and civilian personnel, also suffer greatly by these decisions. Therefore, we pledge to help them to move on to new opportunities and find other ways to continue contributing to America. We also pledge to work closely with these good neighbors by continuing the 5 Point Program that President Clinton initiated in 1993 to expedite the process to find ways to use and develop the property the Army is returning.

The recommendations we have made have been difficult, but we believe they are the right choices for the Army and for the nation. The result will help to ensure that the Army is trained and ready to fight, to serve the nation at home and abroad.

Mr. Chairman, GEN Sullivan and I will be happy to answer your questions.



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GENERAL

1. Secretary West: Did the Office of the Secretary of Defense remove or add any installation closures or realignments from your recommendations to the Secretary?

If so, will you please elaborate on the specifics?

2. Secretary West: Did anyone in the administration instruct you not to place any specific installations on your list to the Secretary of recommended closures and realignments?

If so, which ones and for what reasons?

3. Secretary West: Did the Office of the Secretary of Defense instruct your Service to place or not to place any specific installations for closure or realignment on your listed recommendations to the Secretary?

If so, will you please elaborate on the specifics?

4. Secretary West: Will your service have excess capacity in any major categories or installation groupings if the Secretary of Defense's recommendations are accepted by this commission? Please elaborate.

5. Secretary West: Did you or the Office of the Secretary of Defense remove any installations from the recommendations solely for reasons of environmental or economic impact? Please elaborate.

6. Secretary West: Given the limitations on the base closure process by current Title 10 restrictions and the fact that excess capacity will more than likely remain after this last and final round under the current Base Closure Law, what method would you recommend for consideration in future base closure efforts?

7. Secretary West: Have you provided to the commission all of the information that you used in your decision-making process?

If not, would you please provide it within the next five days?

8. Secretary West: Some communities have expressed concern about inconsistent levels of cooperation from base commanders in preparing their rebuttals to the DoD proposals.

What guidance did the Army give its base commanders regarding cooperation with local communities during the BRAC process?

JOINT CROSS SERVICE GROUPS/ARMY

1. Secretary West: The 1993 Commission recommended that DoD look at cross-service issues in greater detail.

How did the Army consider/incorporate recommendations from the Joint Cross-Service working groups? How was this coordinated with other services?

2. Secretary West: Did anyone in the Office of the Secretary of Defense require the Army to include any of the alternatives of the Joint Cross-Service Groups in its recommendations? Please specify.

3. Secretary West: The 1993 Commission rejected the Department's recommendations to close Letterkenny Army Depot and directed that the tactical missile maintenance workload previously conducted at 9 different DoD depots be consolidated at Letterkenny.

What workload has already been transferred ?

What is the schedule for transferring the remaining workload?

How much has already been obligated in support of the missile maintenance consolidation plan at Letterkenny?

Has the Army re-evaluated the cost/benefit ratio of the missile maintenance consolidation plan at Letterkenny? If so, please comment on the results of the updated analysis.

4. Secretary West: The Joint Cross Service Group on Depot Maintenance suggested that air launched missile maintenance be consolidated at Hill Air Force Base; ground launched missile maintenance work be consolidated at Anniston Army Depot and the Marine Corps Hawk missile workload be accomplished at Barstow.

Why did the Army reject the cross-service team proposal and instead consolidate all missile work at Tobyhanna Army Depot?

5. General Sullivan: The Test and Evaluation Joint Cross-Service Group recommended that the Army withdraw its proposal to move the Test Battalion from Fort Hunter-Liggett to Fort Bliss. They were concerned about the loss of unique test capability at Fort Hunter-Liggett and the lack of an adequate test environment at Fort Bliss.

How did the Army address the specific concerns raised by the Joint Cross-Service Group?

6. General Sullivan: The Army's report to the Commission states that the undergraduate pilot training joint cross-service group suggested that the Navy transfer its undergraduate helicopter pilot training to Fort Rucker.

Do you believe Navy helicopter pilots can be trained at Fort Rucker?

In your evaluation, why did the Navy did not endorse this alternative?

GENERAL ARMY ISSUES

1. General Sullivan: Did the Army defer any installation categories or individual installations from consideration? If so, please explain why.
2. Secretary West: From Cold War levels to the end of Fiscal Year 1996, the Army will have reduced its force structure by approximately 37% worldwide.

How much has the Army reduced its installation infrastructure?

If there is significant difference, please explain your rationale.

3. Secretary West: Reuse of facilities that DoD disposes of is critically important to the community. It is an Army responsibility to ensure that the facility is reusable and to coordinate with or assist agencies or groups that desire to assume control of disposed facilities.

Did the Army consider reuse in development of its recommendations to the Commission?

Were any bases removed from consideration because of projected reuse problems?

MANEUVER

1. General Sullivan: Assuming that all of your recommendations are implemented, if the six ground maneuver brigades in Germany and Korea were to redeploy to the Continental United States in the next 2 years, will you have adequate space at the remaining installations to accommodate all of them?
2. General Sullivan: There are eleven maneuver installations in the United States. One of those installations has two division headquarters and five divisional brigades. With the current stationing of the ten divisions, it appears that there is an excess of two maneuver installations.

Did the Army consider closing any maneuver installations?

3. General Sullivan: The Army's report to the Commission states that maneuver installations must have the capacity to station 19 mechanized brigades and 13 light brigades. Current capacity is 15 mechanized brigades and 14 light brigades.

Since current capacity for light brigades is greater than required, why didn't the Army recommend the closure of an installation such as Fort Richardson which has the capacity for one light brigade and no capability to accommodate additional brigades even with construction?

4. General Sullivan: Forts Riley, Drum, Richardson, and Wainwright scored lowest on the Army's military value assessment among maneuver installations. None of them was recommended for closure.

Does the Army's requirement to be able to accommodate the 10-division Army within the continental U.S. effectively prohibit ever closing a maneuver installation?

5. General Sullivan: The Army's report to the Commission states that high costs associated with closure was a reason for keeping Forts Drum, Richardson, and Riley open.

Please identify those costs.

How long was the payback period?

6. General Sullivan: In reorganizing the 6th Infantry Division (Light) to a light infantry brigade task force, it appears that the modified table of organization & equipment (MTO&E) strength in Alaska has been reduced by 4,500 military.

Why is it not possible to consolidate activities in Alaska at either Fort Richardson or Fort Wainwright?

7. General Sullivan: Are you aware of the Air Force's proposal to extend the runway at Fort Drum while closing Griffiss Air Force Base?

Will the proposed runway extension be sufficient to accommodate all of Fort Drum's air mobility and support needs?

Is the Army willing to assume the cost of operation of that runway and airfield facility?

8. Secretary West: Did the Army consider closing Fort Drum, relocating the 10th Mountain Division to excess space on another maneuver installation, and saving the \$51 million cost of extending Fort Drum's runway?

9. General Sullivan: The Army announced significant restructuring late last year, which affected Forts Bliss, Lewis, Riley and Carson, among others.

Was the desire to maintain the existing maneuver base structure a factor in that restructuring?

Was OSD consulted in advance regarding possible effects of the restructuring on the BRAC process?

What guidance did OSD give regarding the Army realignment's effect on bases?

10. General Sullivan: Why is the Army moving the 3rd Armored Cavalry Regiment from Fort Bliss to Fort Carson and retaining one brigade there instead of keeping the 3rd at Fort Bliss, moving the brigade elsewhere, and closing Fort Carson?
11. General Sullivan: With the removal of one brigade from the 25th Infantry Division in Hawaii, will there be any partial closure of Schofield Barracks?

MAJOR TRAINING AREAS

1. General Sullivan: This chart shows the 1993 and 1995 military value rankings for major training areas.

Please explain why the Army now ranks Fort Chaffee as tenth out of ten among your Major Training Area installations when it was fifth of ten in 1993.

What caused Forts Dix and A.P. Hill to rise so significantly in rank?

Why is Fort Dix being significantly realigned when it is third in military value?

2. General Sullivan: Do your recommendations leave both Active and Reserve Component forces adequate remaining Major Training Areas?
3. Secretary West: In the Army's recommendation on Fort Chaffee, it states that it "...intends to license required land and facilities to the Army National Guard".

What does that mean? All of the 72,000 acres? Which of the more than 1,200 buildings?

4. General Sullivan: Fort Chaffee served as a major refugee center during crises requiring rapid relief when thousands of Southeast Asian and Cuban people fled to our shores.

Should a future contingency occur on such a scale, what other Army installation could replace Fort Chaffee if it is closed?

5. Secretary West: Fort Indiantown Gap is centrally located to the largest concentration of Reserve Component forces in the northeastern United States, and supporters contend this proximity has significantly contributed to saving taxpayer dollars due to less travel time to and from its training facilities.

Did your staff adequately study these cost savings and how they might off-set any savings from closing the post?

6. General Sullivan: I understand that the air to ground range at Fort Indiantown Gap is one of only fifteen in the country, and required three years of coordination to obtain.

What is the impact on Army and Air National Guard flight training if the active duty personnel who operate and schedule the Air-to-Ground Range depart?

7. Secretary West: You recommended that Fort Pickett be closed because it "focused primarily on reserve component training support." Yet you decided to leave open Fort A.P. Hill, which is not far from Pickett, "due to the annual training requirements of the reserve component."

Why was opposite logic used on two similar and closely-located bases?

8. General Sullivan: The three installations recommended for realignment (Forts Dix, Greely, and Hunter-Liggett) will no longer have even an Active Component garrison under your proposal.

How is this different from closure?

9. General Sullivan: Which of the ten Major Training Areas in the Continental United States were seriously considered for being relinquished to the Army Reserve or National Guard for operation and administration?

FORT McCLELLAN

1. Secretary West: The Army has again recommended relocating the Chemical School from Fort McClellan to Fort Leonard Wood. Responding to a similar request, the 1993 Commission recommended that the Army "pursue all of the required permits and certification for the new site prior to the 1995 Base Closure process."

Has the Army received these permits?

Is the Army pursuing these permits?

In the absence of such permits, do you believe your recommendation is in keeping with the spirit, if not the letter, of the 1993 Commission's recommendation?

If the permits are not available before the Commission's deliberation hearing, or this Commission rejects the Army's recommendation concerning Fort McClellan, is there another installation in the Training School category that should be closed to reduce excess capacity in this category?

2. Secretary West: In testimony before this Commission, Deputy Secretary of Defense John Deutch said that environmental permitting "is a process that the Army has got to go through before we would be ...willing to close Fort McClellan."

Given the time constraints on closures established in law, how long can you afford to wait for those permits?

By whatever measure you choose to use, at what point would the difficulty of obtaining permits and moving the Chemical School and the Chemical Defense Training Facility outweigh leaving them in place?

3. General Sullivan: Why does the Army need to continue operation of the Chemical Defense Training Facility?

Can't that training be simulated without using live agents?

4. General Sullivan: In recommending the closure of Fort McClellan, what weight did the Army give to the effects of the move on the prospective chemical demilitarization facility at the Anniston Army Depot? What do you consider those effects to be?

COMMAND, CONTROL & ADMINISTRATION

1. Secretary West: How does the recommendation to close Fort Ritchie affect the Army's support to area requirements of the National Command Authority?

Given the importance of Fort Ritchie's support to the National Command Authority, what alternatives to closing Fort Ritchie did you examine, and why did you eventually choose the "close Fort Ritchie option?"

2. Secretary West: The 1993 Commission requested a full evaluation of the unexploded ordnance situation at Fort Monroe, Virginia.

What is the status of that study?

Has the Army developed a cleanup cost for Fort Monroe? What is that figure?

Did the Army's consideration of Fort Monroe take into account the environmental cleanup costs of that site? If so, why?

3. General Sullivan: Now that the end state force structure has been decided and the Army is nearing the end of the drawdown, did you consider closing Fort Monroe and moving Training and Doctrine Command elsewhere?
4. General Sullivan: During BRAC 93, the Army Basing Study recommended that Forces Command develop alternatives for relocating units on Fort Gillem to Fort McPherson or other locations.

Did Forces Command act on the recommendation?

If yes, how did the results impact your decision to keep Fort Gillem open?

5. General Sullivan: The recommendations pertaining to Fort Hamilton, Fort Totten, and the Selfridge Army Garrison result primarily in the closure of family housing.

Why are savings realized if the Army must now pay basic allowance for quarters and variable housing allowances to soldiers who were occupying those family housing units?

MEDICAL

1. Secretary West: The Army is recommending the closure of Fitzsimons Army Medical Center in Aurora, Colorado.

What will happen to Fitzsimons Army Medical Center's role as a lead agent and referral center for a 13-state region?

How is the cost of expanding one or more other DOD hospitals' capacity to assume this role reflected in the cost/benefit evaluation of closing Fitzsimons?

2. Secretary West: The Army plans regarding Fitzsimons indicate that some of that facility's workload will be moved to Evans Army Community Hospital at Fort Carson and to the Air Force Academy hospital, both about 75 miles away in Colorado Springs.

Are those two hospitals able to absorb the increased workload?

3. Secretary West: In recommending the closure of Fitzsimons and the realignments of the hospitals on Forts Meade and Lee, did the Army consider the medical needs of the active duty personnel and their family members remaining in the area of the hospital to be closed?

What about retirees, survivors, and their family members?

Do you have any estimate of how much in additional costs beneficiaries in those areas will pay out of pocket following the closure and realignment of those hospitals?

4. General Sullivan: Even though not specifically stated, it is assumed that the Army is recommending the closure of Noble Army Hospital at Fort McClellan along with the closure of that base. However, the Army presence at the nearby Anniston Ammunition Depot is slated to grow, and that facility does not have a hospital.

Did the Army consider the potential benefits of keeping some medical capacity at Fort McClellan to meet the needs of the remaining military presence in the area?

5. Secretary West: Does the closure of Noble Army Hospital impact on the capability of Anniston Army Depot to perform its chemical demilitarization mission?
6. Secretary West: In 1993 the Assistant Secretary of Defense (Health Affairs) recommended the realignment of Patterson Army Hospital at Fort Monmouth, New Jersey, to a clinic. This list does not mention Patterson Army Hospital.

Did the Army consider the closure of Patterson Army Hospital?

How is the situation different this year than it was in 1993?

7. Secretary West: What are the opportunities to achieve such economies beyond the recommended closings of Fitzsimons Army Medical Center and Noble Army Hospital at Fort McClellan and the downsizing of the hospitals at Fort Lee, Virginia, and Fort Meade, Maryland?

DEPOTS

1. Secretary West: How did the Army incorporate recommendations from the Depot Joint Cross-Service Working Group on interservicing/consolidating of depot activities?
2. General Sullivan: Your analysis of military value for the four Army depots ranked Tobyhanna first, Anniston second, Red River third, and Letterkenny fourth. In your recommendations to the Commission, you recommend closure of Red River and realignment of Letterkenny.

Did you consider closing all four depots? If not, which depots did you exclude? For what reasons did you exclude them?

Did you consider moving production lines from Anniston to Red River? If not, why?

3. General Sullivan: What military attributes about Tobyhanna and Anniston Army Depots were so compelling that they were removed from consideration?
4. Secretary West: The Navy has recommended realignment of Naval Air Station Corpus Christi. Corpus Christi Army Depot is a tenant there, and relies on the Navy airfield for helicopter flight operations.

Does the realignment of Naval Air Station Corpus Christi to a Naval Air Facility impact on Army plans for Corpus Christi Army Depot? If yes, how?

5. Secretary West: The Air Force claims that it is more cost-effective to downsize all of their depots than close any. Did the Army consider this option?

6. Secretary West: In the Army's report to this Commission, comments on the alternatives presented by the Joint Cross-Service Group for Depot Maintenance pertain only to alternatives that result in losses to Army depots.

Are there any gains from other Services at Army depots as a result of the Joint Cross-Service Group recommendations?

If yes, do these impact on your depot analyses or recommendations?

7. General Sullivan: If your recommendations are fully implemented, will the Army depot structure retain excess capacity which could be used for workload from other services?

PROVING GROUNDS

1. General Sullivan: In the 1993 Army recommendation, the Army considered closure or realignment of Dugway Proving Ground, Utah. Ultimately it was excluded due to its unique capability to conduct chemical or biological testing. The 1995 recommendation calls for realignment of Dugway "by relocating the smoke and obscurant mission to Yuma Proving Ground, Arizona, and some elements of chemical/biological research to Aberdeen Proving Ground, Maryland."

What has occurred to offset the unique capabilities Dugway possessed in 1993?

Is the capability to conduct chemical or biological testing to remain at Dugway after realignment?

Is this recommendation in line with your primary stationing requirement which is, 'to maintain adequate acreage, range capacity, and facilities to support the Army testing program'?

How will the Army support Dugway's open-air testing program following this realignment?

2. Secretary West: The Test and Evaluation Joint Cross-Service Group questioned the Army's proposal to realign Dugway Proving Ground and recommended that the Army withdraw this proposal.

How did the Army address the specific concerns raised by the Test and Evaluation Joint Cross-Service Group regarding the uniqueness of Dugway, the risks of moving research effort, and costs to duplicate existing capabilities at Dugway?

AMMUNITION STORAGE

1. General Sullivan: You recommend realigning the Sierra Army Depot by removing its conventional ammunition storage and destruction missions.

Where will these missions be performed?

INDUSTRIAL FACILITIES

1. Secretary West: The Army's recommendation to close the Detroit Army Tank Plant and Stratford Army Engine Plant represent the closure of facilities designed for production of critical items (M1 tanks, tank and aircraft engines). Production of these items must require highly technical, if not one of a kind, equipment.

Does the closure of either the Detroit Army Tank Plant or Stratford Army Engine Plant facilities leave the Army without necessary facilities, equipment, skills, or industrial capability to meet mobilization requirements?

How many contractor personnel at each site are affected by the recommendations?

2. Secretary West: Why does your analysis of Detroit Army Tank Plant and Stratford Army Engine Plant shows no loss of jobs a result of these closures?

PORTS

1. Secretary West: The Army owns and operates three military ports in the US. As this chart shows, Sunny Point, North Carolina was ranked the highest in military value; Bayonne, New Jersey second; and Oakland, California third.

Please explain why you decided to recommend the closure of Military Ocean Terminal Bayonne, but disapproved the closure of Oakland Army Base.

2. General Sullivan: Given the emphasis on (and synergy from) interservice operations, what is the Army's requirement for continuing to own and operate military ports?
3. General Sullivan: Sunny Point was retained because it is the sole ammunition terminal in the Army inventory. U.S. Navy port facilities accommodate USN and USMC bulk ammunition requirements.

Please explain why a single Service could not accommodate Army, Navy, and Marine Corps bulk ammunition shipping requirements.

ECONOMIC IMPACT

1. General Sullivan: In its report, the Navy stated that it decided independently to avoid recommending closures in California due to the number of job losses already occurring there.

Did the Army establish any independent criteria for assessing economic impact?

If so, did that change the ranking of any Army base?

ENVIRONMENTAL IMPACT

1. Secretary West: OSD policy guidance directed that "...environmental restoration costs at closing bases are not to be considered in cost of closure calculations." The policy further states that "...unique contamination problems requiring environmental restoration will be considered as a potential limitation on near-term community reuse."

Were any installations not recommended for closure or realignment due to unique contamination problems?

2. Secretary West: Funding in support of environmental clean-up of BRAC 88 installations expires at the end of Fiscal Year 1995.

Is expiration of funding a potential problem?

What is the estimated cost of uncompleted BRAC 88 environmental clean-up actions?

How do you intend to continue to fund required clean-up activities?

3. Secretary West: As the Army made its closure and realignment decisions, what role did environmental compliance play in your analysis?

For example, did environmental limitations on a base's expansion potential play a major role in the analysis?

Were bases in Clean Air Act or other non-attainment areas viewed differently from those in attainment areas?

LEASES

1. General Sullivan: In 1991, the Commission approved the merger of Aviation Systems Command and Troop Support Command.

Please explain why the Army is disestablishing a command created just a few years ago.

Please explain what has changed that now makes relocating Aviation-Troop Command financially attractive.

2. Secretary West: The Army studied the offices of the Military Traffic Management Command in Virginia under the lease category. The Army report stated that "analysis was discontinued because realignment was not financially advantageous."

What alternatives did the Army find to be not financially advantageous?

3. Secretary West: The BRAC 93 Commission recommended that the Services review current leases to determine whether or not excess government-owned administrative space could be used instead of leased office space.

Did the Army review all of its leased facilities in an effort to get them into government-owned facilities?

What was the dollar threshold for the leases the Army reviewed?

4. Secretary West: We have received copies of two letters from the Army to the other Services requesting retention of facilities on bases recommended for closure in the Secretary of Defense's recommendation to this Commission. In one, the Army requests portions of the Naval Air Reserve Center, Olathe, Kansas; in the other Army requests portions of Brooks Air Force Base, Texas.

Were these two issues discussed during the DOD joint review process? If not, why not?

5. Mr. Secretary: Actions like these two letters are exactly what the Business Executives for National Security highlighted in their study concerning implementation of previous BRAC recommendations.

Do you think that the Commission should change the Brooks Air Force Base and Naval Reserve Training Center recommendations to reflect establishment of reserve component enclaves?

COSTS AND SAVINGS

1. Secretary West: Many installations studied for closure were ultimately deferred "because it was not found to be financially advantageous."

What were your minimum financial criteria for considering a base for closure?

2. Secretary West: A DoD press release on 6 February 1995 credits the first three rounds with closure of 70 bases and projected savings of \$6.6 billion over their 6-year implementation periods (FY 90-99) and \$4.5 billion annually after implementation.

Is the Army experiencing costs to close installations within or above the amount funded?

How have you incorporated this knowledge into estimates for this round?

3. Secretary West: Is the Army changing any of its execution procedures to accelerate realization of, or increase, savings from base closings?
4. Secretary West: Despite Congressional & GAO recommendations, costs of closures to other affected federal agencies is excluded from installation cost considerations on the rationale of high cost-vs.-low benefit of gathering and quantifying data.

Can you suggest a cost-effective alternative that addresses Congressional concern?

COMMODITY

1. General Sullivan: The Air Force has proposed moving functions from the Rome Labs in New York to the Army's Fort Monmouth, New Jersey.

Is there sufficient capacity at Fort Monmouth to accommodate the proposed move?

Did you incorporate the effects of this Air Force move when ranking Fort Monmouth against other commodity installations?

QUESTIONS FROM MEMBERS OF CONGRESS

QUESTIONS FROM REP. JAMES V. HANSEN, 1ST DISTRICT, UTAH

1. Secretary West: Are you aware that during the previous two rounds of base closures, the then Secretaries of the Army removed Dugway Proving Ground, Utah, from any further consideration under the BRAC process because of its unique military value and characterized Dugway as an irreplaceable national security asset? What has changed in the last three years to precipitate your recommendation to this commission?
2. The Army is proposing to move Dugway's Smoke and Obscurant mission to Yuma Proving Ground. Are you aware that Yuma does not possess the environmental permits from the State of Arizona required to permit open-air testing of this magnitude? If these permits cannot be obtained what are your plans for this important testing?
3. Are you also aware that Dugway already possesses these permits as well as well as all permits required for the open-air release of live chemical agent as required in other realignment proposals?

QUESTIONS FROM SENATOR DALE BUMPERS, ARKANSAS

- The Army recommends closing Fort Chaffee, Arkansas, "except minimum essential buildings, and ranges for Reserve Component training as an enclave." The Army intends to license required land and facilities to the Army National Guard.
1. Has the Army identified which of Fort Chaffee's 70,000 acres and 1,000 buildings would be licensed to the National Guard, and which would be returned to the public for development?
 2. As a result of the 1991 Base Closure process, Fort Chaffee has been dedicated primarily to the training of Reserve Component units and individuals. Was the Reserve Component involved in the decision to close Fort Chaffee?
 3. How much will it cost the Army National Guard to operate the licensed portions of Fort Chaffee? Does the Army intend to provide the National Guard with the required funds?
 4. The Army says that the annual recurring savings of closing Fort Chaffee will be \$13 million. How can that be, since the base's total FY 1995 operating budget is only \$9.7 million?
 5. Does the Army's \$13 million projected annual savings consider the costs of continuing to operate the Fort Chaffee "enclave" and the extra travel costs involved for reserve component units that will now have to travel longer distances to places such as Fort Polk or Fort Sill?
 6. In BRAC 93, Fort Chaffee ranked #5 among 10 Major Training Areas. In BRAC 95, Chaffee was ranked last among those same 10 Major Training Areas. What factors caused Chaffee's ranking to drop so much in just two years?

QUESTIONS FROM REP. ROSCOE BARTLETT, MARYLAND

1. What are the exact costs (and savings) associated with the proposed relocating of the Information Systems Engineering Command (CONUS) from Fort Ritchie to Fort Huachuca, Arizona? At the present time, figures show that 73 percent of the important telecommunications responsibilities fulfilled by ISEC is performed on the east coast. I am deeply troubled by a proposed change of station for this high-tech unit and the increased expenditures ties to meeting its mission from the west. Tell me -- specifically -- upon what basis this particular move is justified and what savings will be realized as a result.
2. The Army's recommendations state that the National Military Command Center (referred to as Alternate Joint Communications Site R) will be able to maintain its operational support even with the removal of those units from Fort Ritchie which currently have the task of supporting Site R. Given the unique and unpredictable geographic/weather/logistical demands of the region in which Site R and Fort Ritchie are located, how can a significant change in locations for crucial support units be justified and still maintain the operations readiness of Site R in both peacetime and crisis?
3. In my estimation, the missions of both the garrison (Fort Ritchie) and its tenants have become more demanding and exacting as a result of earlier BRAC action and increasing global tension and threats to our national security. The ability of the military to respond swiftly and adequately to crisis is clearly in jeopardy as a result of the recommendations in the Army's report. Please tell me how our total force requirements will be met with the reallocations and closures (involving Fort Ritchie) contained in the Army's report to the Commission. I am unconvinced that the military value will be enhanced as a result of the changes suggested.

4. It is a fact that designated potential receiving locations are not prepared to house and accommodate incoming units. Of primary concern to the Army in its criteria for site selection is the ability of existing and receiving locations to mobilize units, manpower and operations to meet any contingency. Fort Ritchie has historically proven that its mission is unique and that it can meet the Army's requirements at minimal cost. What benefits can you cite which justify relocating units from Fort Ritchie to sites which are not prepared to accept them?
5. The U.S. Army has recently invested nearly \$2 million in construction of an armory at Fort Ritchie. In addition, \$2.6 million has been invested in the construction of a new post exchange at Fort Ritchie. Construction of a newly-dedicated commissary at the post will total \$4.6 million. The post fire station will cost \$1.6 million and the restoration of the Fort's lake, dam, and spillway will cost taxpayers \$3.7 million. The Army's efforts to economically justify closing Fort Ritchie do not measure up to the reality of the investments made to keep the base in operation. The investments made in the facility make Fort Ritchie more likely to meet the Army's goals, not less. I assume that the Army's expenditures of millions of dollars of public funds for capital improvements at Fort Ritchie were made to keep the post open in operation. Please assure me that such is the case and intent.
6. In accordance with the jointness criteria, Fort Ritchie now hosts a joint organization (DISA). Was that important factor considered as part of the Army's evaluation?
7. Did the Army ever consider the conversion of 1111th Signal Battalion and the MPs to civilian space to avoid excessive construction costs for support facilities (ie., housing, dining) at Fort Detrick?
8. Was any consideration given to contracting out or having civilian security systems replace Fort Ritchie MPs? This would save transportation costs from Fort Detrick to Site R.

9. Was consideration given to realigning the organizations based at Fort Ritchie to other locations closer the Fort Ritchie -- such as ISEC to Letterkenny Army Depot or TAO (sic) to SITE R, or moving the 1108th Signal Brigade to Site R? Such a realignment could meet both the Army's goals, utilize Fort Ritchie's assets and save expenses.
10. What consideration has been given to realigning Fort Ritchie (ie, the garrison) to become a subpost of Fort Meade?
11. What consideration was given to using Fort Ritchie to support DISA Headquarters, thereby meeting DISA goals, consolidating resources and getting personnel out of leased facilities. This action would be consistent with future total force requirements.
12. What consideration has been given to Fort Ritchie being assigned to GSA and the property subsequently being leased back to the current tenants?
13. Did the Army coordinate--to an degree whatsoever-- with DISA to determine the cost of moving the Network Management Center?
14. With regard to environmental concerns: was consideration given to significant impact of additional personnel on Fort Huachuca's water supply system (which is critically short)?





DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
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703-696-0504

INTRODUCTORY REMARKS OF SENATOR DIXON

AFTERNOON HEARING

MARCH 7, 1995

WASHINGTON, DC

GOOD AFTERNOON, LADIES AND GENTLEMEN AND WELCOME.

THIS IS THE LAST OF FOUR HEARINGS HELD YESTERDAY AND TODAY BY THE COMMISSION. YESTERDAY AND THIS MORNING, WE HAVE HEARD FROM AND HAVE QUESTIONED THE SECRETARIES OF THE MILITARY DEPARTMENTS, AND THEIR CHIEFS OF STAFF REGARDING PROPOSED BASE CLOSURES AND REALIGNMENTS THAT AFFECT THEIR BRANCH OF SERVICE.

THIS AFTERNOON, WE ARE PLEASED TO HAVE WITH US OFFICIALS OF TWO DEFENSE AGENCIES WHICH HAVE INSTALLATIONS INCLUDED ON THE SECRETARY'S LIST OF CLOSURES AND REALIGNMENTS.

THEY ARE AIR FORCE MAJOR GENERAL LAWRENCE P. FARRELL, JR., PRINCIPAL DEPUTY DIRECTOR OF THE DEFENSE LOGISTICS AGENCY AND MR. JOHN F. DONNELLY, DIRECTOR OF THE DEFENSE INVESTIGATIVE SERVICE.

BEFORE WE BEGIN WITH OPENING STATEMENTS, LET ME SAY THAT IN 1993, AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994, THE BASE CLOSURE AND REALIGNMENT ACT WAS AMENDED TO REQUIRE THAT ALL TESTIMONY BEFORE THE COMMISSION AT A PUBLIC HEARING BE PRESENTED UNDER OATH. AS A RESULT, ALL OF THE WITNESSES WHO APPEAR BEFORE THE COMMISSION THIS YEAR MUST BE SWORN IN BEFORE TESTIFYING.

GENERAL FARRELL AND MR. DONNELLY, WOULD YOU PLEASE RISE AND RAISE YOUR RIGHT HANDS?

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

THANK YOU.

GENERAL FARRELL, YOU MAY BEGIN.



Defense Investigative Service
Base Realignment and Closure Commission Hearing Testimony
March 7, 1995

Introduction

Good afternoon Mr. Chairman and members of the Commission. I am John F. Donnelly, Director of the Defense Investigative Service.

Mission Description

The principal mission of DIS is to conduct personnel security investigations for the military departments, defense agencies, and industry. These investigations are used by our customers for security clearances and other trustworthiness determinations. Our other major mission is to oversee industrial facilities to ensure the protection of classified defense information and material. We do this with 3,000 employees, most of whom are located in the U.S.

Purpose of Testimony

The reason for my testimony today is to discuss DIS' single BRAC recommendation -- to redirect a 1988 BRAC decision for a major DIS component to remain at Ft. Holabird, Maryland -- a position with which we agreed at the time. Since 1988, however, the deterioration of the building has accelerated, making relocation essential.

The DIS activity at Ft. Holabird, which is located in Dundalk, a suburb of Baltimore, is the Investigations Control and Automation Directorate. It is organized as a Personnel Investigations Center, a National Computer Center, and an Office of Support Services. This facility is the heart and nerve center of DIS for controlling and directing all DoD personnel security investigations world-wide. It provides automation support for the entire agency as well as other DoD and certain non-DoD agencies. It is also the repository for almost 3 million DIS

investigative files.

We have a work force of 458 civilian employees at this activity. They receive and process nearly 775,000 personnel security investigations each year, respond to nearly 206,000 requests for investigative files a year, and provide automation services in support of our mission. They are presently housed in a Korean War era building located on a seven acre site owned by the Army. That parcel of land is what is left of Fort Holabird, which was almost completely converted to a commercial business park in the mid-1970's. In 1988 the only other DoD activity at Ft. Holabird, the Army Crime Records Center, was realigned. DIS is the only remaining activity.

Recommendation

We are recommending this facility for realignment under BRAC '95 to a smaller, modern building to be constructed on Ft. George G. Meade, Maryland, an existing Army installation.

Rationale

Our recommendation is based on the rapidly deteriorating condition of the existing building. In the last three years, for example, we spent over \$319,000 for major repairs to the facility. These costs were in addition to the \$400,000 we pay the Army each year under the annual Interservice Support Agreement to maintain the building. We also employ a full-time maintenance staff for this location.

We've experienced many serious problems with the building. For example, frequent air conditioning outages during hot summer weather have caused us to dismiss employees on several occasions. We expect these outages to continue because of the age and condition of the air conditioning system. We've also had to call the fire department because of a hazardous condition caused by electrical failure. A leaky roof, rusted water pipes that break, and foul emissions from a nearby yeast plant add to the problems.

Late last year, the Army Corps of Engineers completed an engineering study of the building. The study revealed the existing building fails to meet many code

requirements and contains potential health hazards such as asbestos, lead paint, and PCB's. The Engineers' study concluded that it would cost us approximately \$9.1 million to renovate the building.

If we renovate, it will stir up environmental problems. And we would still have an old building with the same limitations it has now. We would also be left with excess space we will not need. Renovation would also cause a major disruption to operations because we would have to move to a temporary facility to allow for complete renovation. We would then have to move back. If we realign instead of renovate, the Army would be free to dispose of the property.

In addition to the worsening condition of the building, we are faced with a reduced force structure which will decrease 42% based on the projected end-strength by the year 2000. Taking this into account, the existing building will contain more space than we require.

Business Case

The analysis which I am going to describe for you shows that the best alternative is a smaller building, constructed on available land at Ft. Meade, Maryland that is designed for our future requirements and space needs. That is our proposal to the Commission.

The cost to construct a smaller building is almost the same as it would be to renovate the existing building. The cost of a new modern facility is \$9.4 million versus \$9.1 million to renovate the old building. The return on investment with this proposal is only 6 years.

If implemented, our proposal would support the objectives of the BRAC process in several ways:

- It would eliminate the excessive costs required to continually repair a worn out building.
- It would eliminate excess building space that is expensive to maintain.
- It would allow the Army to close and dispose of the remaining seven acres

of Ft. Holabird, which are located in an existing commercial industrial park zoned for light industry.

- It would permit the elimination of eleven guards and maintenance personnel who are required at the present facility.
- It would solve air quality and other environmental problems for our work force.
- Most importantly, it would contribute to military readiness by minimizing disruption of the DoD personnel security clearance program.

While we have applied the BRAC criteria to analyze our realignment, that method has limitations with an agency such as DIS, as we are the only defense agency chartered to process personnel security investigations. We provide a unique service to the entire defense community and 22 other departments and agencies who participate in the Defense Industrial Security Program.

In our case, we believe relocation outside of the Baltimore-Washington corridor would significantly disrupt our operations for at least two years and would ultimately impact on military readiness caused by delays in completing our investigations. I say this because of our unique function. We would lose a significant number of our case analysts, who direct and control investigations--and it takes a minimum of two years to hire and train replacements. Except in a case of a realignment within the Baltimore-Washington corridor, we would have to duplicate most of our functions during the two-year implementation period.

There is also an unrecognized cost to the rest of the defense community to consider when security clearances are delayed. In a 1981 GAO report to Congress, the cost of a single day's delay in security clearance processing was \$43 for an "industrial" security clearance and \$21 for a "military" clearance. Last year the Joint Security Commission reported that the figure had risen to \$250 per day of delay. Using the Commission figure, the daily cost of a move-related disruption for this facility, when applied to the approximately 36,000 industrial investigations that are pending on an average day, amounts to 82% of our proposal, in a single day. The COBRA model does not provide for this expense which would be dispersed throughout the entire defense community.

BRAC Process

I would now like to address some of the specific factors concerning the process we followed to arrive at our proposal.

As we began collecting data for the BRAC '95 process, we looked very closely at the process other defense agencies had followed in prior years. We formed a BRAC Executive Group and a BRAC Working Group to perform the required analyses. The DoDIG reviewed the DIS data collection process and validated the data collected to support our BRAC recommendation to the 1995 Commission.

Of the required selection criteria, we performed a military value analysis and applied the COBRA model to determine return on investment for several scenarios. These scenarios were to lease space in an existing building, renovate the existing building, or construct a new, smaller building on Ft. Meade. The latter alternative proved to be one that makes the most sense.

The DIS BRAC Working Group followed the impact analysis and found that there was very little negative impact (economic or otherwise) on the relocation site. Among the studies conducted by the Army Corps of Engineers was an environmental survey, which disclosed no environmental costs resulting from this alignment, although \$739,370 would be necessary if we renovated.

We propose construction on the smaller facility beginning in FY 1996 with relocation in FY 1998, well within the six-year window for BRAC actions.

Using the COBRA model, it was determined that the total one-time cost to carry out this recommendation is \$11 million. During the two-year implementation period, the net cost will be \$0.7 million. But after that, the annual recurring savings are \$0.5 million, with a return on investment, according to the COBRA model, in 6 years. The net savings over 20 years is \$4 million reduced to present value.

The Commission has requested that I address the relationship between our recommendation to construct a smaller new facility on available land at Ft. Meade, and the activity's projected personnel levels. As I stated earlier these will decrease by 42% due to increased automation. These future force levels and our current

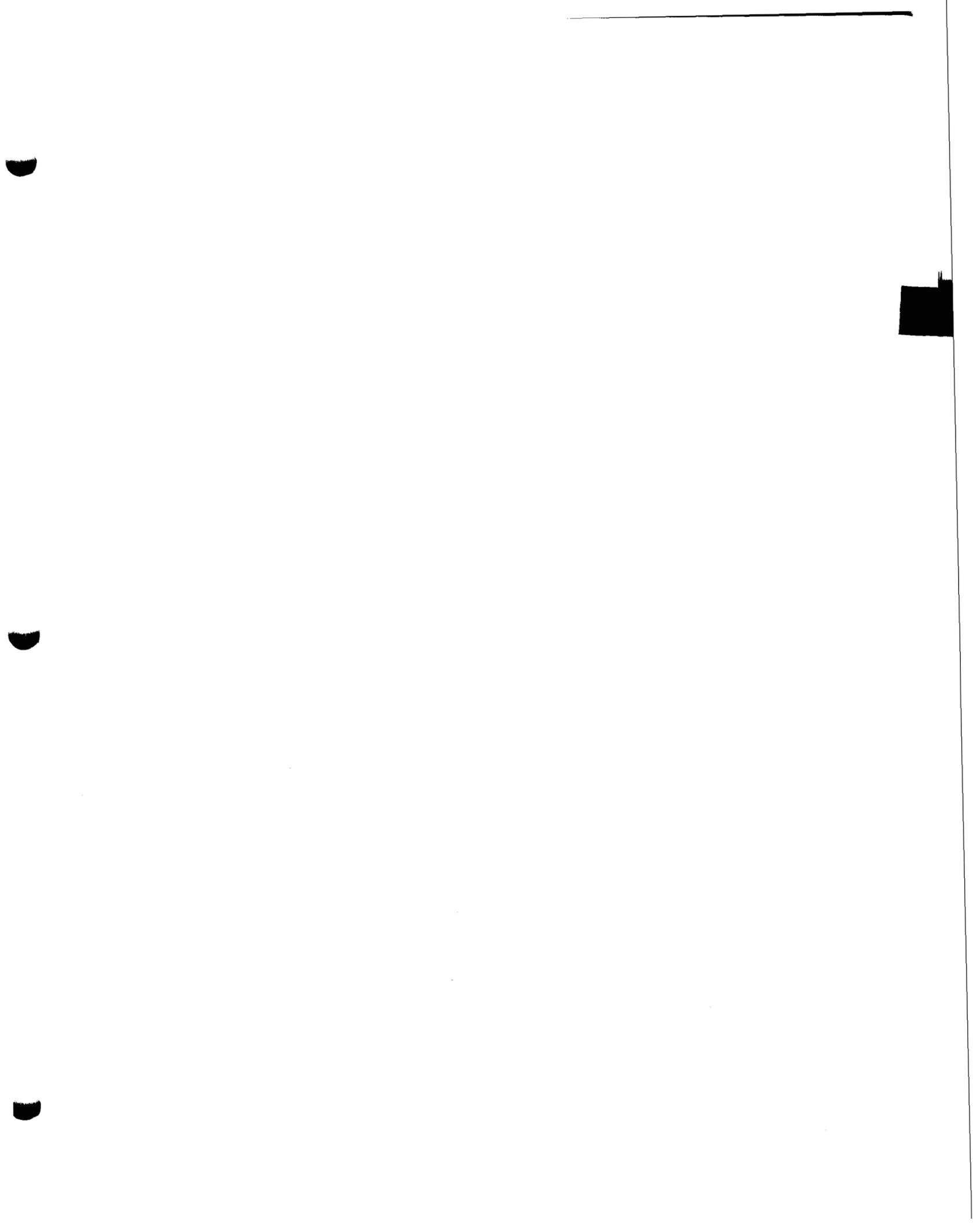
building problems together necessitate realigning to a modern facility such as we have recommended, for a closer fit between our future reduced work force and space requirements.

The Commission indicated it also wants to know the role of the Joint Cross Service Groups in developing our single recommendation. Since we are not dealing with an issue that lends itself to cross-service consideration, the Groups did not participate in our recommendation. DIS is the sole provider of the services we perform for the defense community, and these services cannot be further consolidated.

Conclusion

In summary we are asking the Commission to consider our proposal to relocate this important facility to a new and smaller building on Ft. Meade. The analysis we performed, using BRAC selection criteria, shows this recommendation supports the BRAC objectives to reduce costs and eliminate unnecessary space. Our recommendation will not disrupt military readiness and warfighting capabilities. Furthermore, our proposal will enable the Army to close Ft. Holabird completely and dispose of the property.

Thank you for allowing me to testify today. Do you have any questions?



Defense Logistics Agency GENERAL

1. Major General Farrell, did the Office of the Secretary of Defense remove or add any installation closures or realignments from your recommendations to the Secretary?

If so, will you please elaborate on the specifics?

2. Major General Farrell, did anyone in the administration instruct you not to place any specific installations on your list to the Secretary of recommended closures and realignments?

If so, which ones and for what reasons?

3. Major General Farrell, did the Office of the Secretary of Defense instruct your Service to place or not to place any specific installations for closure or realignment on your listed recommendations to the Secretary?

If so, will you please elaborate on the specifics?

4. Major General Farrell, will the Defense Logistics Agency have excess capacity in any major categories or installation groupings if the Secretary of Defense's recommendations are accepted by this commission? Please elaborate.

5. Major General Farrell, did you or the Office of the Secretary of Defense remove any installations from the recommendations solely for reasons of environmental or economic impact? Please elaborate.

6. Major General Farrell, given the limitations on the base closure process by current Title 10 restrictions and the fact that excess capacity will more than likely remain after this last and final round under the current Base Closure Law, what method would you recommend for consideration in future base closure efforts?

7. Major General Farrell, have you provided to the commission all of the information that you used in your decision-making process? If not, would you please provide it within the next five days?

Defense Logistics Agency PROCESS

1. Maj Gen Farrell, could you please explain the overall philosophy the Defense Logistics Agency used this year to decide which of its facilities would be closed or realigned.

What specific factors did you consider when closing or realigning a Defense Logistics Agency facility?

2. Maj Gen Farrell, what determines military value, and what were the points within the military value calculations which differentiated one installation from another?

3. Maj Gen Farrell, how much of your decisions were dependent upon the service's decisions?

Were there any service concerns which were raised which caused you some difficulty? If so, what were they and how were they resolved?

Were all possible options considered? Were there any installations excluded from consideration? If so, why?

4. Maj Gen Farrell, for all of the Defense Logistics Agency's closure and realignment decisions, what will be the total one time costs and steady state savings?

On average, at what year will you begin to break-even? Were there other options which would have yielded more savings? If so, why didn't you select those options?

Defense Logistics Agency
PROCESS, continued

5. Maj Gen Farrell, if all of the recommended closures and realignments are completed, what is the decrease in Defense Logistics Agency personnel by number and cost?

What percentage reduction does this represent?

6. Maj Gen Farrell, do any of your recommendations result in construction cost avoidance's for construction or modifications authorized by the 1991 Commission?

What are those costs and which installations are affected?

Defense Logistics Agency DISTRIBUTION DEPOTS

BACKGROUND:

The Defense Distribution Depots store and distribute the consumable items managed by the Inventory Control Points. The Department of Defense report recommends that two stand-alone Defense Distribution Depots be closed--the Defense Distribution Depot Memphis, Tennessee and the Defense Distribution Depot, Ogden, Utah with its materials being relocated to other storage space within the Department of Defense Distribution System. This action will result in 1300 direct job losses at Memphis and 1113 direct job losses at Ogden. The report also recommends that two follow-on depots be closed--Defense Distribution Depot Letterkenny, PA and Defense Distribution Depot Red River, TX. This action will result in 378 direct job losses at Letterkenny and 821 direct job losses at Red River.

1. Maj Gen Farrell, what percentage of your overall distribution depot capacity will be reduced by the recommended closures/realignments?

Will there be enough capacity in the remaining distribution depot system to accommodate the inventories that need to be moved from the proposed closed depots during the transition period?

Does this leave you with enough depot capacity to meet any unforeseen future operational needs?

2. Maj Gen Farrell, will the Defense Logistics Agency still have excess depot capacity if all of the recommended closures and realignments are implemented?

If so, why were more facilities not recommended for closure?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

3. Maj Gen Farrell, a recent U. S. General Accounting Office report on inventory reduction indicates that the Department of Defense has about 130 million item cube of material that should be excessed.

Could you have closed more depots in this round of BRAC if those inventory reductions were to occur?

4. Maj Gen Farrell, has the transfer of consumable items from the services to the Defense Logistics Agency been completed?

If not, when will this be completed, and how did you factor this into your depot capacity requirements?

5. Maj Gen Farrell, if the excess capacity available to the Defense Logistics Agency through the services was considered, and all the Defense Logistics Agency closure and realignment recommendations are completed, what effect will there be on your capacity requirements if the Commission adds other service maintenance depots to the closure list?

Defense Logistics Agency DISTRIBUTION DEPOTS, continued

6. Maj Gen Farrell, in 1993 the Defense Logistics Agency stated that there was no need for additional distribution space on the west coast. In fact, I'm told that this year the complex computer model you used for analyzing inventory storage locations also did not support any additional storage requirement on the west coast.

In a recent letter to James Klugh, the Deputy Under Secretary of Defense for Logistics, Vice Admiral Straw stated that the Defense Logistics Agency views any offer of additional space "solely as an insurance hedge" and that "any offers of space to DLA should carry no weight in the determination of whether a base/depot remains open".

On the other hand, at last weeks March 1st hearing, Secretary of Defense Perry stated: "The Defense Logistics Agency was able to this time take into use the logistics facilities capacity available in the Air Force, I believe, especially at McClellan, so that they were able to do some downsizing in the Defense Logistics Agency and make use of Air Force logistics capacity".

I'm told that the Air Force offered the Defense Logistics Agency storage space in the neighborhood of 11 million Attainable Cubic Feet (ACF).

There seems to be some inconsistency here. On one hand your agency indicated that no further requirement exists on the west coast for additional storage capacity. On the other hand, the Secretary of Defense stated that one reason for downsizing rather than closing a major west coast installation was to support the Defense Logistics Agency with additional storage.

General, your recommendation is to close the distribution depot at Ogden. If the recommendation is accepted by this Commission, does the Defense Logistics Agency intend to use any additional storage space other than that which is presently in use by the agency on the west coast?

If so, where and for how long will you require this additional storage?

Defense Logistics Agency DISTRIBUTION DEPOTS, continued

Did the computer model you used for inventory location (SAILS - Strategic Analysis of Inventory Logistics Systems) in fact indicate that no new storage facilities were required on the west coast?

Did you in any way alter the initial recommendation of the model? If so, how and why?

The Air Force Logistics Center policy is to down size in place rather than close. On the west coast, a large Defense Logistics Agency presence would help justify retention of an installation.

At any time, was there an agreement made with any Air Force or any other individual, internal or external to the Department of Defense, which would assure a continued Defense Logistics Agency presence at any Air Logistics Center.

7. Maj Gen Farrell, the Defense Logistics Agency is reducing the need to store inventories at defense depots through direct vendor delivery and prime vendor programs.

Were future increases in direct and prime vendor deliveries considered when the Defense Logistic Agency's capacity requirements were determined?

If so, what percentage of inventory reductions were attributed to direct/prime vendor delivery?

If this was not considered, why not?

8. Maj Gen Farrell, to what extent did you consider privatizing Defense Logistic Agency functions and/or activities?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

9. Maj Gen Farrell, I am aware that the Defense Logistic Agency is testing a premium services delivery program with FedEx. This program allows the Defense Logistic Agency to store high turnover items at a FedEx facility.

What impact could this have on future depot storage capacity requirements if the program is successful?

10. Maj Gen Farrell, your Richmond and Columbus Depots rated lowest in their category of military value analysis. Yet you are recommending the closure of your Memphis and Ogden Depots.

Why didn't you close the Richmond and Columbus Depots?

11. Maj Gen Farrell, what went into the military value analysis decision to close the defense distribution depots at Memphis, Tennessee and Ogden, Utah?

What economic factors were considered?

What other options were considered, and why were these options rejected?

What will your total capacity reduction be as a result of closing these two depots?

What percentage of your total capacity does this represent?

How will the present mission requirements of these depots be handled?

12. Maj Gen Farrell, in your decision to close the Memphis Defense Distribution Depot, how much weight was given to its central location and excellent access to all types of transportation?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

13. Maj Gen Farrell, the Memphis community has stated that the Defense Logistics Agency has been transferring workload from Memphis to other Defense Depots.

Is this contention accurate?

If so, was the Memphis Depot adversely affected in the military value calculation?

14 Maj Gen Farrell, the 1993 BRAC directed that DoD's tactical missile maintenance work be consolidated at Letterkenny.

In light of this, has the Letterkenny Defense Distribution Depot made any infrastructure changes to accommodate the increased workload?

If so, what changes were made, and what were the costs to make these changes?

How much of the Defense Distribution Depot's workload would be directly related to the missile maintenance work versus other customers?

What is presently being stored at the depot?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

15. Maj Gen Farrell, only 12% of the Red River Defense Distribution Depot's mission relates to the direct support of the Red River Army Depot.

Did you consider keeping the Red River Defense Distribution Depot open in spite of the Army's decision to close its depot, given that over 85% of its mission is to support other customers?

If so, what consideration was this given?

What costs would there be to the Defense Logistics Agency to maintain the depot versus what it costs them now?

QUESTION FROM SENATOR DAVID PRYOR, ARKANSAS

16. Maj Gen Farrell, the Department of the Army was requested to consider the cost of moving the Defense Logistics Agency activity at the Red River Army Depot in its analysis of total closure costs. The community has estimated the cost to be in excess of \$300 million for such a move.

Is this estimate consistent with the costs calculated by the Defense Logistics Agency?

Defense Logistics Agency
DISTRIBUTION DEPOTS, continued

QUESTIONS FROM CONGRESSMAN HAROLD FORD, TENNESSEE

17. After Desert Storm, the DLA undertook a study of its depots' performance, "An Assessment of Container and Rail handling Capabilities at DLA Depots", 30 January 1991.

What were the results of that report, and were they used in the evaluation process?

Why was this report not taken into account?

18. Was the impact a base closure would have on economically disadvantaged communities considered by DLA when they assessed the economic impact of their recommendations?

Did DLA compare the overall unemployment rate of the community in relation to the unemployment rate of the rest of the state and surrounding areas?

Do you believe the Commission should use this comparison as a criteria in its decision making process?

Defense Logistics Agency INVENTORY CONTROL POINTS

Background:

The Inventory Control Points, which there are presently five, manage DoD's consumable items, such as spare parts, food, clothing, medical, and general supplies. The Department of Defense report recommends that one Inventory Control Point be disestablished--the Defense Industrial Supply Center (Philadelphia, PA)--with its mission being distributed to two of the remaining Inventory Control Points--Defense Construction Supply Center (Columbus, OH) and Defense General Supply Center (Richmond, VA). This action will result in 385 direct job losses at Philadelphia and 335 job gains at Richmond.

1. Maj Gen Farrell, you are recommending a major change in operations at your Inventory Control Points.

Why did you decide to realign your workload by troop and general support and weapon system items?

Why are you proposing only two weapon system inventory control points?

2. Maj Gen Farrell, you are recommending disestablishing one Inventory Control Point, the Defense Industrial Supply Center (DISC) in Philadelphia, and distributing the management of its weapon system-related items to the Inventory Control Points at Richmond (Defense General Supply Center [DGSC]) and Columbus (Defense Construction Supply Center [DCSC]).

Why was the Defense Industrial Supply Center chosen as the Inventory Control Point to be disestablished as opposed to the Defense General Supply Center or the Defense Construction Supply Center?

What military value analysis was done?

What is your risk to having only two weapon system-related items Inventory Control Points?

Defense Logistics Agency

INVENTORY CONTROL POINTS, continued

3. Maj Gen Farrell, The Navy contends that significant synergy exists between the Naval Aviation Supply Office and the Defense Industrial Supply Center and that these two organizations should remain collocated.

Did you evaluate the lost synergy between these two organizations?

What economic factors were considered?

What other realignment options were considered, and why were those options rejected?

4. Maj Gen Farrell, in 1993 you wanted to move two Inventory Control Points--Defense Personnel Support Center and Defense Industrial Supply Center--out of Philadelphia and relocate them into new construction in New Cumberland, PA. The 1993 Commission decision resulted in both organizations remaining in Philadelphia. In 1995 you want to split the two organizations.

What changed between 1993 and 1995 to alter the Defense Logistic Agency recommendation?

5. Maj Gen Farrell, according to your data, your decision to disestablish the Defense Industrial Supply Center will result in a direct loss of only 385 jobs. Currently, there are approximately 1800 civilian employees in this organization.

Will the remaining 1400 jobs be absorbed into the Defense Personnel Support Center (DPSC), which will remain in Philadelphia?

If so, will the increase in the number of line items to be handled at the Defense Personnel Support Center (DPSC) require an increase in the current workforce by 1400 employees?

If not, what will happen to these 1400 employees?

If these jobs are scheduled to be eliminated, why are they not included in your economic impact analysis?

Defense Logistics Agency
INVENTORY CONTROL POINTS , continued

6. Maj Gen Farrell, how can an increase of only 335 jobs at the Defense General Supply Center in Richmond, VA and no increase in jobs at the Defense Construction Supply Center in Columbus, OH accommodate the relocation of the workload currently being done at the Defense Industrial Supply Center?

7. Maj Gen Farrell, an additional 200,000 to 400,000 consumable items are scheduled to be transferred to the Defense Logistics Agency from the services in 1995.

What is the mix of these items between weapon system and troop and general support?

Are more item transfers planned in the coming years?

With your planned reduction in inventory control points, will you have enough capacity to handle the additional workload? If so, how?

If not, did you consider keeping the Defense Industrial Supply Center open to accommodate the increased workload?

Defense Logistics Agency
INVENTORY CONTROL POINTS , continued

8. Maj Gen Farrell, during BRAC 1993, to accommodate the additional personnel (approximately 3,000) coming to the Aviation Supply Office compound from the Defense Personnel Support Center, it was estimated that there would be approximately \$46 million in renovation costs.

Do you still plan to accommodate approximately the same number of employees at this installation?

If so, are building renovations still needed? What are these costs?

If not, why are building renovations not needed?

If total renovation will not be necessary is there a construction cost avoidance if this recommendation is approved?

Did you delay making any extensive renovations at the Aviation Supply Office compound and delay moving the Defense Personnel Support Center to the compound in order to make your current recommendation and thus avoid construction costs?

Defense Logistics Agency CONTRACT MANAGEMENT DISTRICTS

BACKGROUND:

The Defense Contract Management Districts provide command and control, operational support, and management oversight for 90 Defense Contract Management Area Operations and Defense Plant Representative Offices located throughout the United States. There are presently three Defense Contract Management District Offices. There used to be five. BRAC 1993 approved the disestablishment of two of these offices. The 1995 Department of Defense report recommends that one (Defense Contract Management District South, Marietta, GA) of the three remaining offices also be disestablished with its mission being relocated to the Defense Contract Management District Northeast in Boston, MA and the Defense Contract Management District in El Segundo, CA. This action will result in 169 direct job losses in Georgia and 20 job gains in the two remaining locations.

1. Maj Gen Farrell, would you describe the analysis which resulted in the decision to close the Defense Contract Management District South in Georgia as opposed to the one in Massachusetts or California?

2. Maj Gen Farrell, the Department of Defense report which addresses the Defense Logistics Agency recommendations states that having only two Defense Contract Management District offices presents only 'a moderate risk'.

What do you mean by 'a moderate risk'?

3. Maj Gen Farrell, the Department of Defense report also states that as a result of the drawdown, you expect a decline in the number of Area Operations Offices and Plant Representative Offices.

About how many offices do you expect to be eliminated in the future?

Defense Logistics Agency
CONTRACT MANAGEMENT DISTRICTS, continued

4. Maj Gen Farrell, could the remaining two Defense Contract Management District offices handle a further increase in workload should the military system go through a build up without a substantial increase in personnel?

If so, how would this be handled?

If not, how many people would have to be hired at these two locations, and would the additional personnel require the need to obtain additional workspace?

5. Maj Gen Farrell, you recommended the closure of your Contract Management District in Georgia, but I note in your analysis that the Contract Management District in California also ranked low in military value.

Did you consider closing the Western District?

If so, what would be the costs and savings of closing this district versus the one in Georgia?

If not, why was this option not evaluated?

Defense Logistics Agency
CONTRACT MANAGEMENT DISTRICTS, continued

6. Maj Gen Farrell, the 1993 BRAC authorized the Defense Contract Management District West to move from leased space in El Segundo to “Long Beach Naval Shipyard, California, or space obtained from exchange or land for space between the Navy and the Port Authority/City of Long Beach area.” You now want, through a redirect action, to expand the options to include “to a purchased office building, whichever is the most cost-effective for DoD.”

Have you obtained cost estimates for the purchase of an office building?

How long do you anticipate waiting until a decision is made to move to Department of Defense property or to buy?

If you can't get into a government building, would it be cheaper to stay in leased space?

If so, would it be cheaper to remain at your current location?

Can the District Office be located anywhere in the west coast area?

If so, have you or will you look at existing military installations with excess capacity in both California and neighboring states?

Defense Logistics Agency
ECONOMIC/ENVIRONMENTAL IMPACTS

1. Maj Gen Farrell, to what extent did you analyze the cumulative economic impact of DLA closure/realignment decisions?

How did you define cumulative economic impact?

Did the cumulative economic impact analysis cause you to alter your decision to close or realign any facility?

2. Maj Gen Farrell, are there any environmental concerns or hazards at these locations?

If so, what are they, and what is the cost of resolving them?

Defense Investigative Service

BACKGROUND

DOD Recommendation:

Relocate the Defense Investigative Service (DIS), Investigations Control and Automation Directorate (IC&AD) from Fort Holabird, Maryland, to a new facility to be built on Fort Meade, Maryland, 18 miles away. This proposal is a redirect from the recommendations of the 1988 Base Closure Commission. Once the Defense Investigative Service (DIS) vacates the building on Fort Holabird, the base will be vacant.

Impact:

This recommendation will not result in a change in employment in the Baltimore area because all affected jobs will remain in that area. 425 personnel will relocate if the recommendation is approved.

Justification:

The Defense Investigative Service (DIS) is located in a Korean War era building. The building is in disrepair has cost over \$319,000 in repairs since fiscal year 1991 in addition to the annual cost of approximately \$400,000. A recent Corps of Engineers building analysis indicated that the cost to bring the building up to code and to correct the environmental deficiencies would cost Defense Investigative Service (DIS) approximately \$9.1 million. A military construction project on Fort Meade is estimated by the Corps of Engineers to cost \$9.4 million.

Defense Investigative Service PROCESS

1. Mr. Donnelly, the 1988 Commission stated that the Defense Investigative Service (DIS) Investigations Control and Automation Directorate (IC&AD) was adequately housed at Fort Holabird and should remain there.

Could you please explain to the Commission why you are requesting a change from that decision?

2. Mr. Donnelly, what specific factors did you consider in your decision to move the Investigations Control and Automation Directorate (IC&AD)?

3. Mr. Donnelly, were all possible options considered in the decision to move the Investigations Control and Automation Directorate (IC&AD)?

If so, what other options were considered, and what were the one time costs, steady state savings and break-even years for these options?

If not, why were other options not considered?

4. Mr. Donnelly, if the recommended realignment is completed, will this result in any decrease in Defense Investigative Service (DIS) personnel?

5. Mr. Donnelly, what, if any, is the cumulative economic impact of moving the facility from its present location?

How did you define cumulative economic impact

Defense Investigative Service COSTS

1. Mr. Donnelly, do you plan to renovate existing facilities at Fort Meade or construct a new building? What are the one time costs associated with moving the facility to Fort Meade?

What are your current operating costs at Fort Holabird?

What are your operating cost estimates at Fort Meade?

2. Mr. Donnelly, your detailed analysis only addresses three options: renovating your existing building; leasing space in the Baltimore area; and constructing a building on Fort Meade.

Are there existing facilities at Fort Meade that could be renovated to meet your needs instead of building a new facility?

If not, are there existing facilities at other Department of Defense locations that could be renovated, which would result in a lower cost than constructing a new building? If so, why were these locations not considered?

3. Mr. Donnelly, when will steady state savings occur if this move is approved?

4. Mr. Donnelly, according to the analysis of your decision to move from Fort Holabird, the Investigations Control and Automation Directorate (IC&AD) is in the process of upgrading the agency's automation system thus decreasing the number of employees by 38% by the year 2001.

Did you account for this decrease in your construction cost estimates?

Defense Investigative Service
COSTS, Continued

5. Mr. Donnelly, once the facility is closed, will Department of Defense be able to sell the land?

If so, what amount do you feel Department of Defense will be able to achieve from the sale of the land?

Has this estimate been obtained from an independent appraiser?

Defense Investigative Service MILITARY VALUE

1. Mr. Donnelly, what went into the military value analysis decision to move the facility?

2. Mr. Donnelly, the Defense Investigative Service (DIS) military value analysis states that while the current facility is not essential, the geographical area is essential.

Why is the current geographical area essential?

Defense Investigative Service ENVIRONMENT

1. Mr. Donnelly, are there any environmental hazards at your current location?

If so, what are they and what is the cost of resolving them?

Have these environmental hazards been documented?

QUESTIONS TO BE ANSWERED FOR CONGRESSMAN HAROLD FORD IN WRITING
FOR THE RECORD OF THE MARCH 7 BRAC HEARING

1. Did the logistic planners for each branch of the service do their own evaluation of DLA's concept of support, or merely accept DLA's recommendation?
2. How will the DLA's recommendations impact the premium service project at DDMT with Federal Express? What was behind the project if it was felt the location of DDMT was a detriment to supply support instead of an asset?
3. Did the SAILS model take into account the increasing wage bases in each industrial area in which the Depots are located? Does it assess the impact on a federal installation's ability to attract and retain quality workforce in the future? Does it assess the surrounding community's industrial wage base to project future hiring trends? Which year's labor rates were used in the SAILS model?

	Memphis	Harrisburg, PA*
1991	10.41	10.67
1992	10.42	11.18
1993	10.55	11.52
1994	10.88	11.92

US Department of Labor, State and Area Employment, Annual averages

4. Strategic Logistics Doctrine* emphasizes the importance of the nation's industrial base to the support of our armed forces abroad. Yet, the capacity of the surrounding industrial community to support surge requirements in the area of warehousing, personnel, equipment support (Memphis was able to hire 1000 additional skilled material handlers within three weeks for Desert Storm) has not been factored in. Have interruptions due to weather, strikes, transportation bottlenecks been taken into account? How many days in the last three years have operations been impaired by adverse weather?

* Army Field Manual 100-5, 1993
5. Supply support for contingency operations by doctrine* depend upon strategic airlift. Where is the assessment of strategic airlift capability in this analysis? Is it given the appropriate amount of weight compared to administrative criteria?

* Army Field Manual FM 100-5 Chap 12
6. The DLA ranked stand-alone depots for military value. Both the DoD and BRAC use military value as the most important selection criteria. Among stand-alone depots, DDMT was ranked third in military value and recommended for closure. However, DLA chose to maintain Richmond and Columbus, which ranked 5th and 6th. If military value is regarded so highly, why did DLA completely disregard it with respect to stand -alone depots?





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

February 6, 1995

Honorable Togo D. West, Jr.
Secretary of the Army
The Pentagon, Room 3E718
Washington, D.C. 20301

Dear Mr. Secretary:

Next month the Defense Base Closure and Realignment Commission will begin a series of hearings on the Defense Department's recommendations to close or realign military installations in the United States. I would like to invite you, General Sullivan, and other appropriate members of your staff to present the Department of the Army's 1995 closure and realignment recommendations to the Commission on Tuesday, March 7, 1995.

Your testimony should summarize the process used by the Army to develop its closure and realignment recommendations; the implementation schedule, the costs and the expected savings from your recommendations; and the relationship between your recommendations and the Army's current and projected force structure and training requirements. Given the interest of past Commissions in the issue of consolidating common functions across the military services, your testimony should also address the role that the Joint Cross Service Groups played in the development of the Army's recommendations, and highlight your specific proposals in this area.

This hearing will be the first opportunity for the Commission and members of the public to hear the details of the Army's 1995 closure and realignment recommendations. You should anticipate specific questions from the Commission about each of the closure and realignment recommendations which you are proposing.

As you know, the 1995 round of base closings is the final round authorized under the Defense Base Closure and Realignment Act of 1990. In light of this fact, I intend for this Commission to recommend to the Defense Department and the Congress a process for the closure and realignment of military bases in the future. I hope you and General Sullivan will give the Commission your views on this important question.

The hearing will be held in Room 345 of the Cannon House Office Building at 9:00 a.m. Please provide 100 copies of your opening statement to the Commission staff at least two working days prior to the hearing. If your staff has any questions, they should contact Mr. Ed Brown of the Commission staff.

I look forward to your testimony.

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, sweeping loop.

Alan J. Dixon
Chairman



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

February 6, 1995

Honorable Joshua Gotbaum
Assistant Secretary of Defense (Economic Security)
The Pentagon, Room 3E808
Washington, D.C. 20301

Dear Secretary Gotbaum:

Next month the Defense Base Closure and Realignment Commission will begin a series of hearings on the Defense Department's recommendations to close or realign military installations in the United States. I would appreciate your assistance in informing all of the Directors of Defense Agencies affected by the closure and realignment recommendations that the Commission would like them to present their closure and realignment recommendations to the Commission on Tuesday, March 7, 1995.

The testimony of the Defense Agency Directors should summarize the process used by their Agency to develop its closure and realignment recommendations; the implementation schedule, the costs, and the expected savings from their recommendations; and the relationship between their recommendations and their Agency's current and projected personnel levels and missions. Directors' testimony should also describe the role that Joint Cross Service Groups played in the development of their Agency's recommendations to consolidate common functions across the military services and highlight any specific proposals in this area.

This hearing will be the first opportunity for the Commission and members of the public to hear the details of the Defense Agencies' closure and realignment recommendations. The Defense Agency witnesses should anticipate specific questions from the Commission about each of the closure and realignment recommendations which they are proposing.

The hearing will be held in Room 106 of the Dirksen Senate Office Building at 1:30 p.m. Each witness should provide 100 copies of their opening statement to the Commission staff at least two working days prior to the hearing. If any of the Defense Agency Directors have any questions, they should contact Mr. Bob Cook of the Commission staff.

Thank you for your assistance in this matter. I look forward to the testimony of the Defense Agency representatives.

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 larger, more prominent script than the last name "Dixon".

Alan J. Dixon
Chairman



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

Part I: Major Base Closures

Army

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

Navy

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

Air Force

North Highlands Air Guard Station, California
Ontario IAP Air Guard Station, California
Rome Laboratory, Rome, New York
Roslyn Air Guard Station, New York
Springfield-Beckley MAP, Air Guard Station, Ohio

Greater Pittsburgh IAP Air Reserve Station, Pennsylvania
Bergstrom Air Reserve Base, Texas
Brooks Air Force Base, Texas
Reese Air Force Base, Texas

Defense Logistics Agency

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

Part II: Major Base Realignments

Army

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

Navy

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

Air Force

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

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

Army

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

Navy

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

Navy/Marine Reserve Activities

Naval Reserve Centers at:

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

Naval Air Reserve Center at:

Olathe, Kansas

Naval Reserve Readiness Commands at:

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

Air Force

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

Defense Logistics Agency

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

Defense Investigative Service

Investigations Control and Automation Directorate, Fort Holabird, Maryland

Part IV: Changes to Previously Approved BRAC Recommendations

Army

Army Bio-Medical Research Laboratory, Fort Detrick, Maryland

Navy

Marine Corps Air Station, El Toro, California
Marine Corps Air Station, Tustin, California
Naval Air Station Alameda, California
Naval Recruiting District, San Diego, California
Naval Training Station, San Diego, California
Naval Air Station, Cecil Field, Florida
Naval Aviation Depot, Pensacola, Florida
Naval Nuclear Power Propulsion Training Center, Naval Training Center, Orlando, Florida
Naval Training Center Orlando, Florida
Naval Air Station, Agana, Guam
Naval Air Station, Barbers Point, Hawaii
Naval Air Facility, Detroit, Michigan
Naval Shipyard, Norfolk Detachment, Philadelphia, Pennsylvania
Naval Sea Systems Command, Arlington, Virginia
Office of Naval Research, Arlington, Virginia
Space and Naval Warfare Systems Command, Arlington, Virginia
Naval Recruiting Command, Washington, D.C.
Naval Security Group Command Detachment Potomac, Washington, D.C.

Air Force

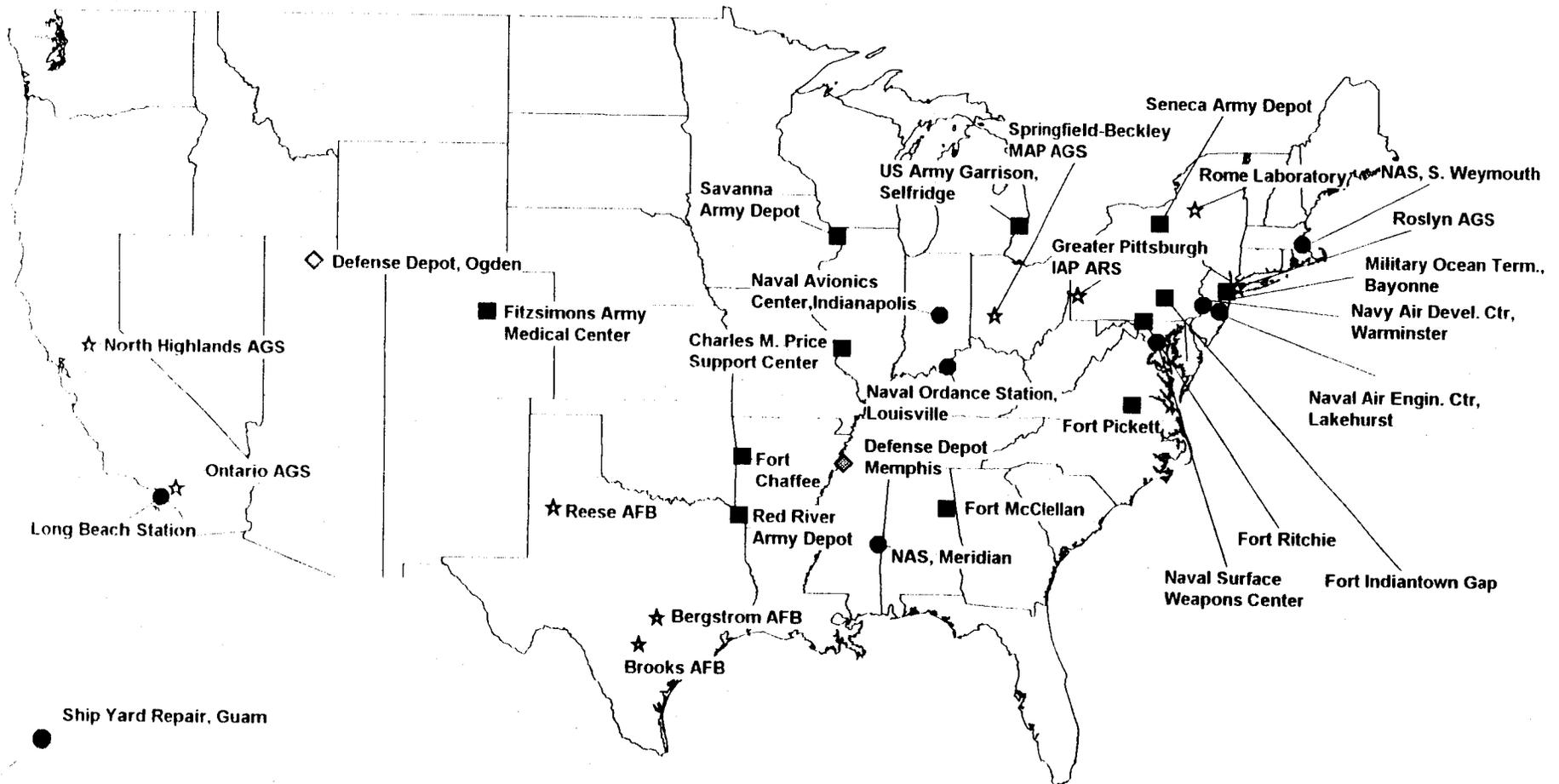
Williams AFB, Arizona
Lowry AFB, Colorado
Homestead AFB, Florida (301st Rescue Squadron)
Homestead AFB, Florida (726th Air Control Squadron)
MacDill AFB, Florida
Griffiss AFB, New York (Airfield Support for 10th Infantry (Light) Division)
Griffiss AFB, New York (485th Engineering Installation Group)

Defense Logistics Agency

Defense Contract Management District West, El Segundo, California

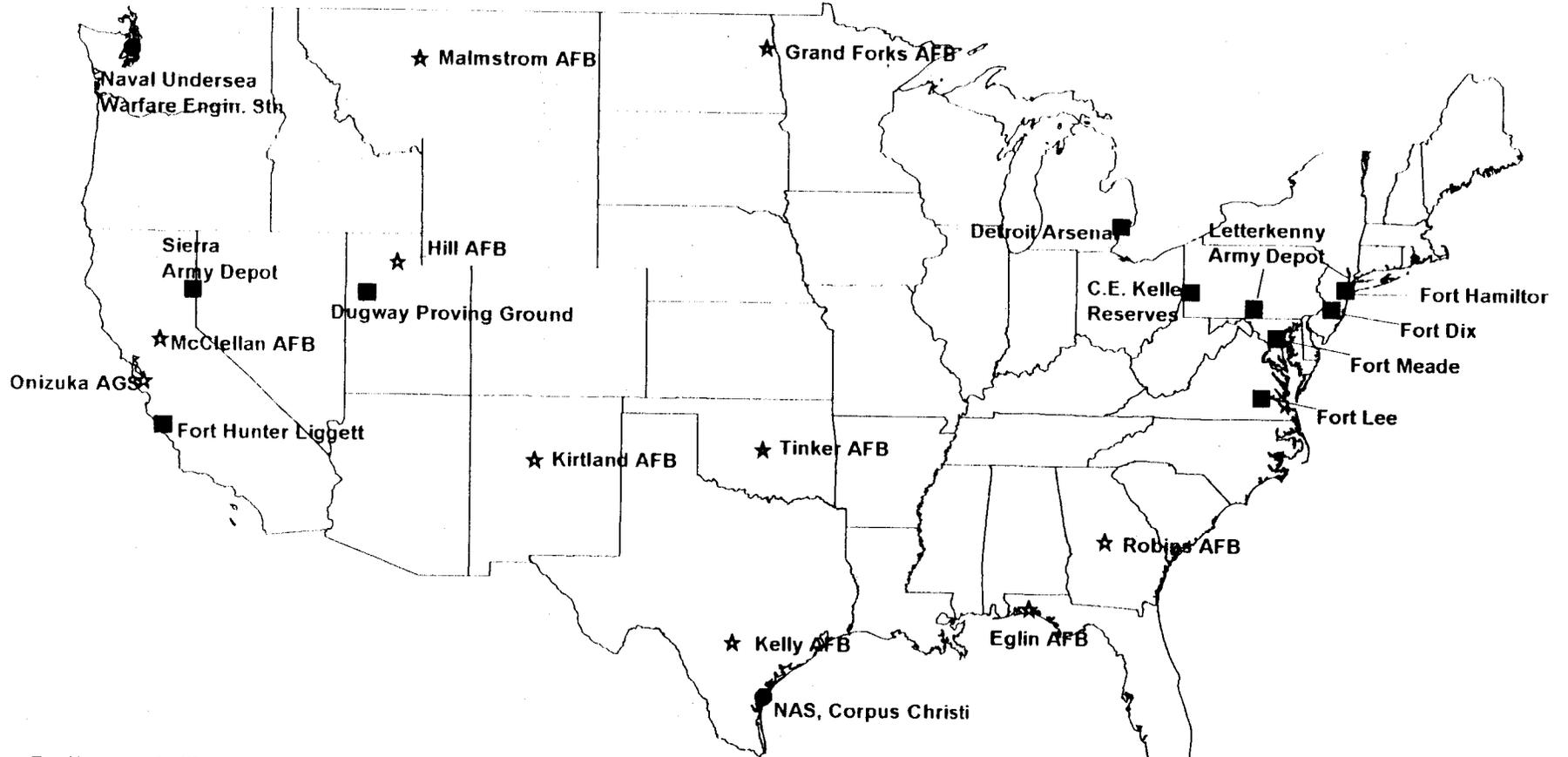
1995 DoD Recommendations Major Base Closures

● NAS, Adak



1995 DoD Recommendations Major Base Realignments

■ Fort Greely



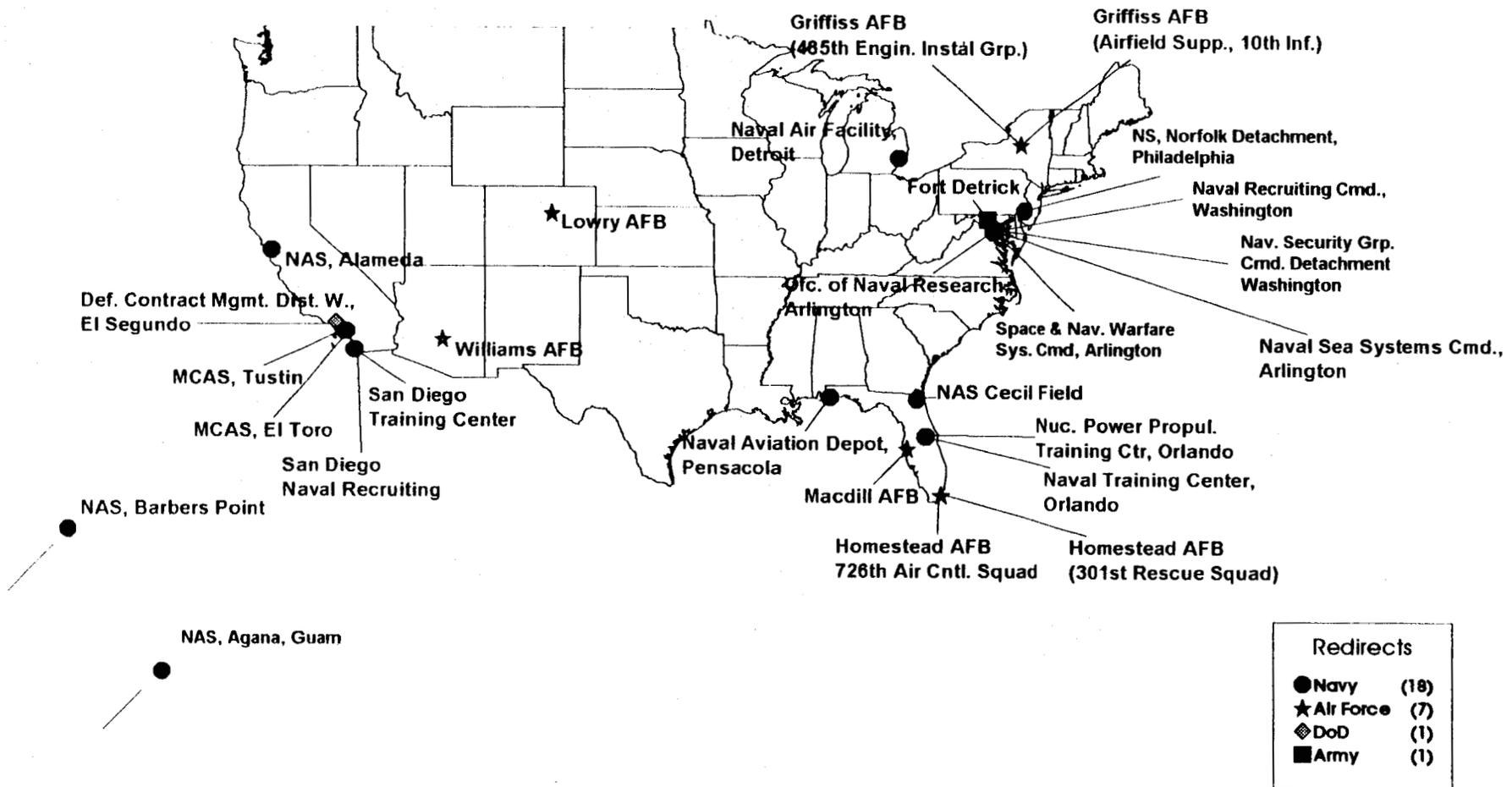
● Naval Activities, Guam

Fort Buchanan,
Puerto Rico

● NS, Key West

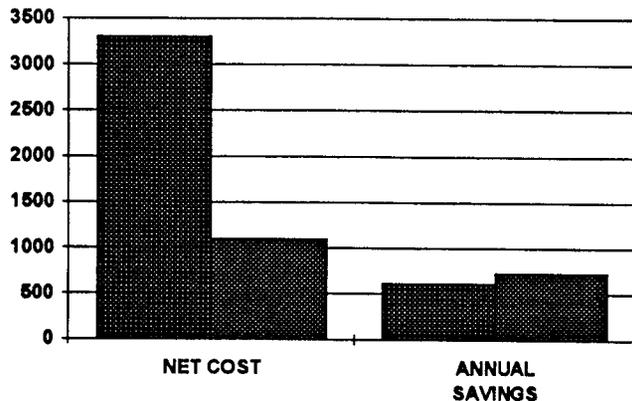
Legend	
■	Army (12)
★	Air Force (10)
●	Navy (4)

1995 DoD Recommendations Redirects



BRAC 95 IMPACT

NET COST / SAVINGS IN AGGREGATE

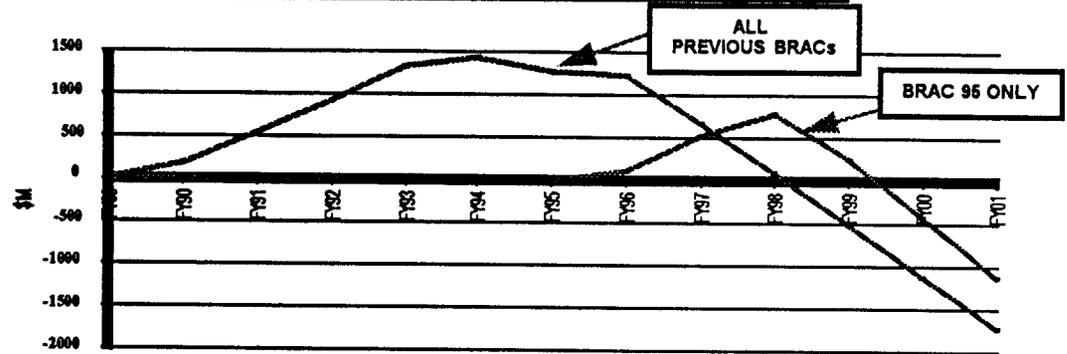


■ ALL PREVIOUS BRACs ■ BRAC 95 ONLY

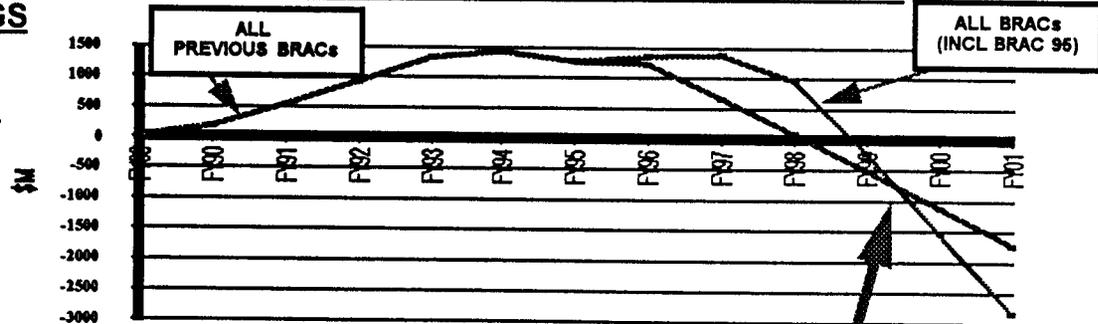
	# INSTNS (CLOSE/REALIGN)	COST	SAVINGS
PREVIOUS	83 / 14	\$3.3B	\$ 616M
BRAC 95	33 / 11	\$1.1B	\$ 725M
ALL BRACs	116 / 25	\$4.4B	\$1341M

NET COST / SAVINGS OVER TIME

COMPARISON BRAC 95 VS. ALL PAST BRACs



BRAC 95 EFFECT ON PAST BRACs - PAYBACK



BRAC 95 . . .
ONE THIRD THE COST OF ALL PREVIOUS BRACs
YIELDS 18% HIGHER ANNUAL SAVINGS

**INVESTMENT
 BREAKS EVEN
 BY FY2000**