

INFORMATION PACKET
INVESTIGATIVE HEARINGS

MARCH 6, 1995

ROOM 345 CANNON HOUSE OFFICE BUILDING



Hearing

Fact Sheet

Staff Assignment Sheet

Airport Arrivals/Departures

Map of Hearing Location

**INVESTIGATIVE HEARINGS
WASHINGTON, D.C.
MARCH 6, 1995**

COMMISSIONERS ATTENDING:

Chairman Dixon
Commissioner Cornella
Commissioner Cox
Commissioner Davis
Commissioner Kling
Commissioner Montoya
Commissioner Robles
Commissioner Steele

WITNESSES:

Morning Session

Secretary Dalton
Admiral Boorda
General Mundy
Secretary Pirie

Afternoon Session

Secretary Widnall
General Fogleman
Major General Blume

HEARING LOCATION:

Room 345
Cannon House Office Building
Washington, D.C. 20515
(202) 488-9717 (Ante Room **Pay-
Phone**)

CONTACT:

Kathleen Taylor
Speaker Newt Gingrich
(202) 225-4500 or 225-0600

FACT SHEET
INVESTIGATIVE HEARINGS
WASHINGTON, D.C.
MARCH 6, 1995

LOCATION: Room 345
Cannon House Office Building
Washington, D.C. 20515

DIRECTIONS: Enter Cannon building from the corner of
Independence and New Jersey Avenues SE.
Go up stairs or elevator to 3rd floor and
room 345 is right in front of you.

CAPACITY: 350

LUNCH ROOM: Room 311
Cannon House Office Building
Bullfeather's (Carry Out)
Reserved from 8:30 am to 1:30 pm

CONTACTS: House Superintendant
Brian Bartholomew-(202) 225-4141
-for ice, water, glasses etc.

Jim Morton-(202) 226-2421
-for furniture, tables, chairs, coat racks, etc.

Jerry Dougan-(202) 224-3140
-for microphones

PARKING: None

STENOGRAPHER: Diversified
Ellen Alcott-(202) 296-2929

**STAFF ASSIGNMENT SHEET
INVESTIGATIVE HEARINGS
WASHINGTON, D.C.
MARCH 6, 1995**

Signage.....Ziba
reserved seating (VIP, witnesses, press, commission staff)

Advance on site check.....Kent
lights, microphones, stenographer, water, coffee

Lunch arrangements/logistics.....Shelley

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

Testimony collection.....Kent

Copies.....Christy

Timekeeper.....Paul

VIP Greeter.....CeCe

Final site sweep.....Kent

General Runner(s).....Cristin

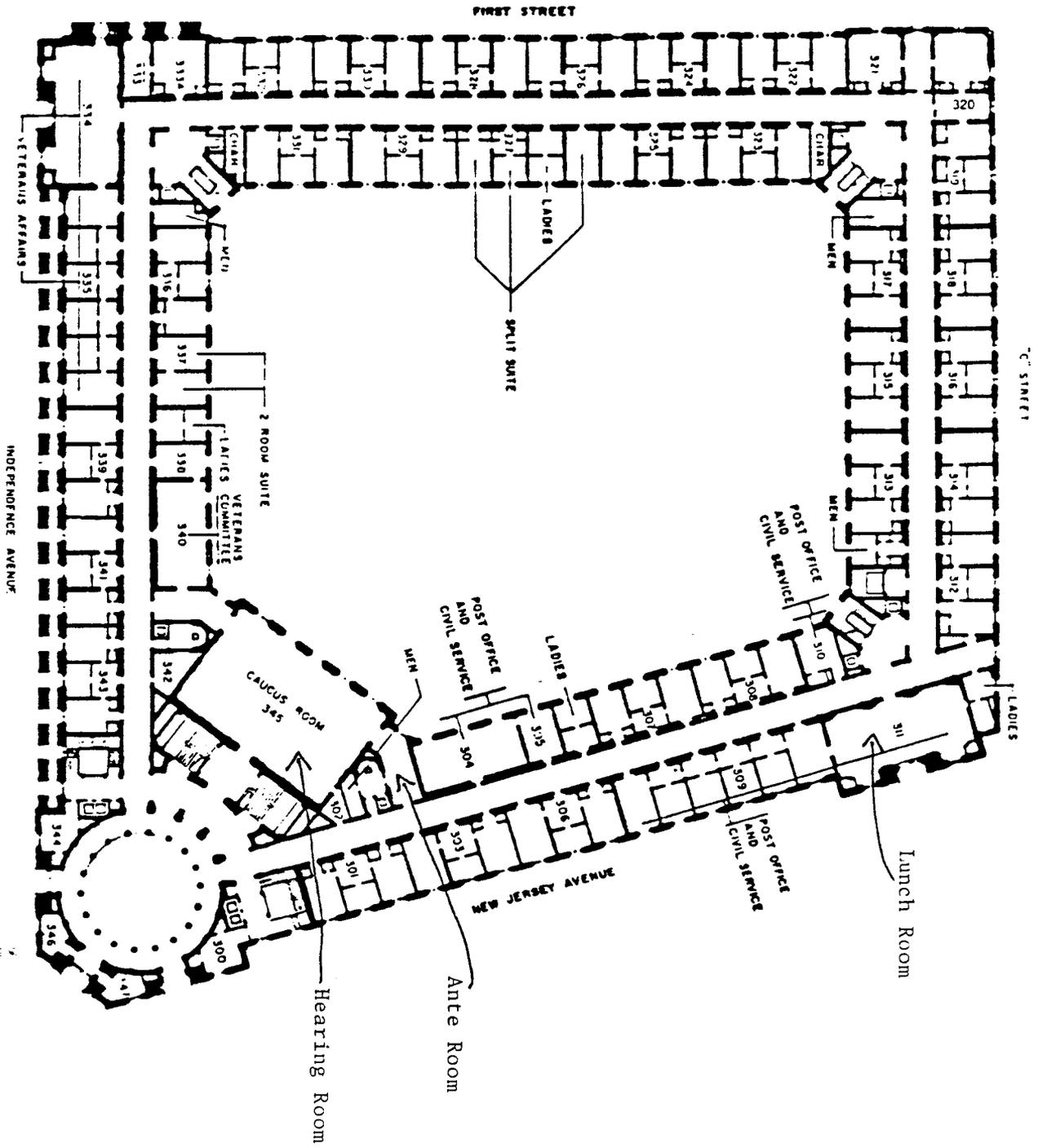
Nameplates, gavel etc.....Kent

Computer equipment.....Jim

Capitol Hill Police Officer.....Shelley

**AIRPORT ARRIVALS/DEPARTURES
INVESTIGATIVE HEARINGS
WASHINGTON, D.C.
MARCH 6, 1995**

ALAN DIXON	Arrival:	Sunday, March 5	8:00 pm
	Departure:	Tuesday, March 7	4:40 pm
AL CORNELLA	In town		
REBECCA COX	In Town		
J.B. DAVIS	Arrival:	Sunday, March 5	3:59 pm
	Departure:	Thursday, March 9	7:05 pm
LEE KLING	Arrival:	Sunday, March 5	8:25 pm
	Departure:	Tuesday, March 8	4:40 pm
BEN MONTOYA	Arrival:	Sunday, March 5	7:22 pm
	Departure:	Monday, March 6	8:00 pm
JOE ROBLES	Arrival:	Monday, March 6	1:01 am
	Departure:	Tuesday, March 7	4:40 pm
WENDI STEELE	Arrival:	Sunday, March 5	9:22 pm
	Departure:	Wednesday, March 8	5:00 pm



GRAPHIC SCALE
 0 10 20 30 40 50 60

CANNON HOUSE OFFICE BUILDING
 THIRD FLOOR PLAN

Document Separator

**DEFENSE BASE CLOSURE
AND REALIGNMENT
COMMISSION**



INVESTIGATIVE HEARINGS

MARCH 6TH, 1995

**ROOM 345
CANNON HOUSE OFFICE BUILDING**

WASHINGTON, D.C.



Executive Secretariat

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3. OPENING STATEMENTS - THE HONORABLE JOHN H. DALTON,
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PIRIE.

4. COMMISSIONER QUESTIONS.

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6. OPENING STATEMENTS - THE HONORABLE SHEILA E. WIDNALL,
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**HEARING AGENDA
MARCH 6, 1995
RM 345, CANNON HOUSE OFFICE BUILDING**

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

Witness: The Honorable John H. Dalton
 Secretary of the Navy

 Admiral Jeremy M. Boorda
 Chief of Naval Operations

 General Carl E. Mundy, Jr.
 Commandant of the Marine Corps

 The Honorable Robert B. Pirie, Jr.
 Assistant Secretary of the Navy for Installations and Environment

11:30AM Press Availability

12:00PM - 1:30PM Lunch: Cannon Rm 311.

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

Witness: The Honorable Sheila E. Widnall
 Secretary of the Air Force

 General Ronald R. Fogleman
 Chief of Staff of the Air Force

 General Thomas S. Moorman
 Vice Chief of Staff of the Air Force

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

4:00PM Commission Business Meeting

4:30PM Press Availability





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

INTRODUCTORY REMARKS OF SENATOR DIXON

MORNING HEARING

MARCH 6, 1995

WASHINGTON, DC

GOOD MORNING, LADIES AND GENTLEMEN AND WELCOME.

AND LET ME ALSO WELCOME -- MOST GRATEFULLY, I MIGHT ADD -- MY FELLOW
BASE CLOSURE COMMISSIONERS, WHO WERE CONFIRMED BY THE SENATE LAST
THURSDAY. THEY ARE, IN ALPHABETICAL ORDER, AL CORNELLA, REBECCA COX,
J.B. DAVIS, S. LEE KLING, BENJAMIN MONTOYA, JOE ROBLES AND WENDI STEELE.

THESE DEDICATED PEOPLE HAVE SPENT MUCH TIME IN THE PAST WEEKS
PREPARING THEMSELVES TO SERVE ON THE COMMISSION. AND THEY ARE
PREPARED -- UP TO SPEED ON THE ISSUES AND READY TO PROCEED WITH THE
DIFFICULT TASK AHEAD.

THE FIRST ORDER OF BUSINESS THIS MORNING IS TO FORMALLY INSTALL THESE
SEVEN MEN AND WOMEN AS MEMBERS OF THE DEFENSE BASE CLOSURE AND
REALIGNMENT COMMISSION. I WOULD ASK EACH OF THE COMMISSIONERS TO
RISE, RAISE YOUR RIGHT HANDS, AND REPEAT AFTER ME THE OATH OF OFFICE:

I, (AND STATE YOUR NAME), DO SOLEMNLY SWEAR THAT I WILL SUPPORT AND DEFEND THE CONSTITUTION OF THE UNITED STATES AGAINST ALL ENEMIES, FOREIGN AND DOMESTIC; THAT I WILL BEAR TRUE FAITH AND ALLEGIANCE TO THE SAME; THAT I TAKE THIS OBLIGATION FREELY, WITHOUT ANY MENTAL RESERVATION OR PURPOSE OF EVASION; AND THAT I WILL WELL AND FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE OF WHICH I AM ABOUT TO ENTER. SO HELP ME GOD.

CONGRATULATIONS TO YOU ALL.

THIS MORNING WE BEGIN THE FIRST OF FOUR HEARINGS THE COMMISSION WILL HOLD TODAY AND TOMORROW HERE IN WASHINGTON. AT THE FIRST THREE HEARINGS, WE WILL HEAR FROM AND QUESTION THE SECRETARIES OF THE MILITARY DEPARTMENTS AND THEIR CHIEFS OF STAFF ABOUT THE RECOMMENDATIONS OF THE SECRETARY OF DEFENSE TO CLOSE OR REALIGN BASES IN THEIR BRANCH OF THE SERVICE. AT THE FOURTH HEARING -- TOMORROW AFTERNOON -- WE WILL HEAR FROM THE HEADS OF DEFENSE AGENCIES AFFECTED BY CLOSURE AND REALIGNMENT RECOMMENDATIONS. THIS MORNING, WE ARE PLEASED TO HAVE WITH US THE HONORABLE JOHN H. DALTON, SECRETARY OF THE NAVY; ADMIRAL JEREMY M. BOORDA, THE CHIEF OF NAVAL OPERATIONS; GENERAL CARL E. MUNDY, JR., THE COMMANDANT OF THE MARINE CORPS; AND THE HONORABLE ROBERT B. PIRIE, JR., THE ASSISTANT SECRETARY OF THE NAVY FOR INSTALLATIONS AND ENVIRONMENT.

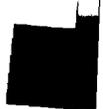
FIRST, LET ME SAY THAT IN 1993, AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994, THE BASE CLOSURE AND REALIGNMENT ACT WAS AMENDED TO REQUIRE THAT ALL TESTIMONY BEFORE THE COMMISSION AT A PUBLIC HEARING BE PRESENTED UNDER OATH. AS A RESULT, ALL OF THE WITNESSES WHO APPEAR BEFORE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

SECRETARY DALTON, ADMIRAL BOORDA, GENERAL MUNDY AND MR. PIRIE,
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 BE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

THANK YOU.

MR. SECRETARY, YOU MAY BEGIN.



Remarks as delivered by
The Honorable John H. Dalton
Secretary of the Navy
Defense Base Closure and
Realignment Commission
6 March 1995

Chairman Dixon, members of the Commission, it is an honor for me to appear before you today to provide an overview of the recommendations for closure and realignment of Navy and Marine Corps bases and installations.

These recommendations have been generated through a process that builds upon the successful BRAC-93 procedures. That process was validated in the last round by both the General Accounting Office (GAO) and the Base Closure and Realignment Commission (BCRC) after a very thorough and extensive review.

Mr. Chairman, our primary goal for BRAC-95 was, of course, to reduce Department of the Navy infrastructure to the minimum shore facilities required to sustain the Navy and Marine Corps forces through 2001. But, more than that, we are seeking to design a more streamlined, efficiently located, and responsive baseline of support, capable of meeting the needs of a forward deployed, expeditionary force. This is an absolutely critical requirement. Our visibility throughout the world must be reflective of a potent force that is able to demonstrate our resolve wherever it is deployed.

With our transition in operational focus to a "...From the Sea" fighting force, we must also undertake "rightsizing" of our infrastructure support. Such "rightsized" infrastructure must be able to sustain naval forces in the broad spectrum of responses which I'm sure, Mr. Chairman, you fully appreciate, based on your many years of experience in defense matters as a member of the Senate Armed Services Committee. We have been careful to ensure that the remaining Navy and Marine Corps base structure is correctly configured to maintain a broad range of demanding operational requirements well into the foreseeable future. While we recognize that the resources freed up by this process are vital to future readiness, we are mindful of our obligation to preserve readiness today as well. With it comes a responsibility that has caused us to scrutinize each detail of each decision in each recommendation to be sure that we do not, through lack of foresight, leave our nation vulnerable in any way. We embrace the base closure process as a unique opportunity to properly tailor our shore support organization and have sought to take full advantage of that opportunity.

Mr. Chairman, in your invitation, you highlighted the fact that this is the last round of base closure authorized under the Defense Base Closure and Realignment Act of 1990. You also indicated you are interested in a process for future base closure. There is no question that your previous experience, combined with your current position, places you in a unique position to influence the direction of this process today and well into the future.

With this in mind there are two questions that need to be asked. First, "how soon should we begin this process again?" This, I believe, is dependent on the availability of adequate funding necessary to carry out the base closures already approved by previous BRAC decisions. If we are forced to retain installations because of a shortfall in funding two negative situations will result. First, the Department of the Navy will not be able to achieve all the benefits we are counting on with our "rightsizing" effort. And, secondly, communities will not be able to convert these installations for economic redevelopment. This would be the worst of all possible worlds. Couple this with the expected further downsizing of our force structure, and I believe we may once again need the streamlined, open process allowed by this Base Closure Act to reorient our infrastructure as required by then-current conditions. Without that process, we have a very limited ability to affect such changes on our own.

The second question I believe is this, "is there a better way to do this work in the future?" From the Department of the Navy's perspective, the Base Closure Act has worked well. I think, Mr. Chairman, you and your former colleagues on the Senate and House Armed Services Committees accomplished a remarkable achievement with this legislation. If it is possible to duplicate it for future rounds of base closure, it has our endorsement.

On the other hand, because this is the last scheduled round of closures, we have proceeded as if this were our final chance to bring the size of our infrastructure into balance with the declining size of operating forces.

We have faced a very different challenge from the first rounds of base closure. As we performed detailed studies of our remaining support infrastructure, it was evident that the margin separating activities to keep, and those to give up, was slight. Nevertheless, we have arrived at a coherent set of recommendations which, when taken together with the decisions made in all previous rounds, result in a Navy and Marine Corps infrastructure able to support the kind of fast-paced, flexible, world-wide operations that our men and women will be conducting well into the next century.

Four principal themes are evident in our process and recommendations. First, we must retain the ability to pursue or sustain essential technological effort. Next, we must provide appropriate maintenance support to fleet assets. Third, our operational homeports must be structured to provide the necessary degree of flexible responsiveness. Finally, we will position forces, training and support functions in a manner supporting the Total Force concept. With BRAC-95 we have eliminated unnecessary duplication in the Navy and Marine Corps without adversely impacting the quality of life achievements recently attained. The savings we generate from this process are absolutely critical to recapitalization -- the linchpin of our future readiness.

After all BRAC decisions are implemented, the bases and installations that remain will support the critical warfighting effectiveness of our Sailors and Marines. We have

maintained the infrastructure necessary for them to train, to perform needed maintenance to ships, aircraft and other weapons systems, and to provide other support to operating forces. These also are the places where our men and women live. Therefore, it is important that these bases and stations contribute to overall morale, and thus operational readiness, by providing acceptable housing, and sufficient social, recreational, religious, and other support for Sailors, Marines and their families.

With these objectives in mind, I charged the Under Secretary of the Navy, Mr. Richard Danzig, to assemble a Base Structure Evaluation Committee for the evaluation and deliberations required to satisfy the mandates of the Act. This Committee was chaired by the Assistant Secretary of the Navy for Installations and Environment, Mr. Robert B. Pirie. The Vice Chair is Mr. Charles P. Nemfakos, a senior career civil servant. The other members of the Committee are four Flag and General officers and two additional Senior Executive Service career civilians.

We employed a methodology characterized by the highest standards of analytical rigor. The Committee was supported by the Base Structure Analysis Team, whose responsibility was to collect data and perform analysis as directed by the Evaluation Committee. The Analysis Team was composed of about 50 senior military and civilian analysts. They represent a broad spectrum of operational and technical expertise.

The Naval Audit Service worked in conjunction with the Analysis Team to ensure that the standards of integrity which the public has every right to expect were strictly followed. These auditors reviewed and validated the data gathering process from top to bottom, employing over 250 auditors from coast-to-coast and in Washington.

To ensure that the process was responsive to Navy and Marine Corps leadership, the Evaluation Committee held a number of deliberative sessions with the Fleet Commanders in Chief and other major commanders to apprise them of the progress of the process and to discuss potential impacts on Fleet operations, support, and readiness. Prior to making my final decision, I met with the Chief of Naval Operations and the Commandant of the Marine Corps several times to seek their advice as well.

When considered in conjunction with the previous rounds of base closures, BRAC-95 represents the continuation of a significant initiative to correctly align infrastructure with the operational forces it must support. Clearly, excess capacity remains. But where it remains, it has been identified as peculiar to a particular type of installation, or it is being retained to protect future flexibility.

The efforts of the Department of Defense Joint Cross-Service Groups complemented our process. The task of these multi-service analytical groups was to identify possible asset sharing opportunities in five functional areas and the crucial area of economic impact. Members of our Analysis Team were assigned to each of the Cross-Service Groups, to ensure that both technical and base closure knowledge and experience were applied to

the functional analyses conducted by the groups. Many alternatives forwarded by the Joint Groups were anticipated by Department of the Navy scenarios already under study. We formally considered all of the Joint Cross-Service alternatives, and many of our recommendations include Joint Group suggestions. The joint cross-service process not only gave us a broader sense of what was possible, it also confirmed the validity of our evaluation process.

I'm confident that the Commission recognizes the enormity of the task involved in reviewing over 800 activities in five categories fully considering all mechanisms to reduce excess capacity. The consistent theme in looking at that large universe of activities was to ensure that we could satisfy our goal of having a shore infrastructure that had the full range of capability to support our Navy and Marine Corps Team.

And now, Mr. Chairman, I would like to discuss each of our five major groupings and to portray how our evaluation of each is consistent with what we believe our naval forces need to satisfy our future requirements.

It was clear, Mr. Chairman, from the beginning of this round, that we must proceed very carefully in our search for excess capacity. We could not afford to give up what we might need in this uncertain world to retain the flexibility that our Operational Commanders require. The approach taken in this final round was profoundly affected by the 1993 base closure round. As you recall, in 1993, my Department completely closed two major ship homeports and both a Navy and a Marine Corps major aviation center. Our decisions this time were carefully constructed to ensure that our forces had sufficient capacity remaining at operational bases to ensure the flexible response to changing operational requirements that has become so vital to the Naval forces' ability to go in harm's way, as well as to perform emerging new peacetime missions.

Much of the remaining ship home porting capacity is located in our fleet concentrations on the Atlantic and Pacific coasts. While our aggressive operating tempo would allow some additional closures, I did not think it prudent to further reduce our stateside infrastructure beyond the actions from the BRAC-93 round.

The changing shape of our Pacific fleet, and the changing nature of Pacific deployment patterns, allowed us to reduce our Western Pacific presence in Guam, while retaining the necessary wharves, infrastructure, and equipment to allow continued access. The realignment of the Naval Activities on Guam eliminates the day-to-day presence of the Fleet Combat Support Ships, supply stores, and ashore maintenance organization, while retaining the necessary infrastructure from these activities to allow reconstitution if the need arises. The Naval Magazine, Hospital, Communications Station and on station afloat emergent repair capability remain on the island, providing a robust Navy presence.

In a related realignment, the Naval Aviation assets presently on Guam, and scheduled

for relocating from the Naval Air Station closed in the BRAC-93 round to Andersen Air Force Base, are recommended to be relocated with the Supply Ships they support or collocated with similar aviation assets at existing bases elsewhere.

The remaining Naval Stations are sized and located to allow the Operational Commanders the flexibility they need to conduct the day-to-day training, maintenance and logistics support to guarantee the force readiness required to meet the Department's global commitments.

For Naval Aviation, previous round closures were cost effective but had significant start-up costs at existing bases for the transfer of assets from closing bases. Naval Aviation assets have continued to be significantly reduced in the force structure plan. Our analysis this time considered realignment of prior BRAC movements in order to minimize future expenditure of scarce resources by better using existing facilities through collocation of like airframes and grouping of common missions at existing bases.

Reassigning carrier based anti-submarine warfare assets to Naval Air Station Jacksonville builds a synergy of anti-submarine warfare platforms and allows single siting of all Navy F-14 and Navy Atlantic Fleet strike-fighter tactical aviation in existing capacity at Naval Air Station Oceana. Pacific Fleet carrier support aviation is redirected to North Island. The combination of these redirections saves military construction at Marine Corps Air Station Cherry Point and Naval Air Station Lemoore equivalent to an entire naval air station, and avoids the building of new capacity for Naval Aviation.

The shift in location and reduction in maritime patrol operations allows the closure of Naval Air Station Adak. The vital asset at Naval Air Station Key West is its irreplaceable training airspace, so I have recommended realigning it to a Naval Air Facility to release unneeded excess infrastructure not associated with the operational training mission.

When considering Reserve aviation infrastructure, we focused on the fleet commander's desire to have the best possible aviation capability in the Northeast region. The best way to meet fleet operational needs, support Total Force requirements and reduce excess capacity was to close Naval Air Station South Weymouth and move Reserve assets to Naval Air Station Brunswick, Maine. This supports integration of regular and Reserve forces, preserves demographics and gives us the most capable base north of Norfolk to support fleet operations.

Depot maintenance is a cornerstone of fleet readiness and of forward presence and power projection sustainment. Our ability to provide the required depot support for our operational forces is critical to ensuring the nation's ability to continue meeting the high operational tempo associated with contingency operations. Our BRAC-95 analysis

focused on eliminating excess capacity while ensuring that the right combination of capability and capacity remained to meet fleet operational requirements. The Navy Department's depot capabilities are the most diverse in Department of Defense and span aviation, surface ships, submarines, and ground combat weapon systems. While excess capacity was fragmented across a large number of diverse categories, significant reductions overall will be achieved through our BRAC-95 recommendations.

The smaller force structure with little relief from operational requirements dictates a highly responsive, robust industrial maintenance capability at major fleet concentrations. The Department must safeguard a level of nuclear ship repair capability and the ability to meet both scheduled and emergent depot maintenance requirements to support fleet assets forward deployed around the world. Our BRAC-95 depot maintenance recommendations are a continuation of the efforts that began in 1991 and include the closure the Ship Repair Facility at Guam and our last remaining non-nuclear shipyard at Long Beach. The decreased ship depot maintenance requirements associated with a smaller force and changing deployment patterns enable the closure of these activities, while meeting fleet requirements to support Unified Commanders' taskings.

Additional excess capacity was eliminated through consolidations, divestiture of facilities, and the incorporation of technical center industrial workload into remaining depot activities. These actions, along with previous closures equate to a reduction of 50% of our aviation depots, 64% of our shipyards and ship repair facilities, and 64% of the depot maintenance functions that were previously located at our technical center activities. The magnitude of these reductions clearly demonstrates the Department's firm commitment to "rightsizing" to levels commensurate with future requirements.

We applied a great deal of emphasis and energy to the review of our array of Technical Centers. Our efforts were focused on "rightsizing" to the appropriate minimum set of sites that would give significant overhead cost reductions, while, at the same time, ensuring that we could pursue essential technologies and develop warfighting systems capability well into the twenty-first century. We tried to match our infrastructure reductions with the changes in numbers and use of our operational forces. Our emphasis was to minimize the amount of topline money going into the cost of operating and maintaining a large infrastructure and to focus our limited resources on the development, acquisition, and operation of warfighting systems.

We developed a mosaic map of the workload and capabilities of all Navy technical activities. We then attempted to reduce excess capacity through consolidation of similar work into the larger sites with full spectrum, total life cycle and total systems responsibilities. We continued our historical thrust of the collocation of our laboratory and development responsibilities with sites where major ranges exist. Throughout our deliberations, we were ever mindful of the need to provide immediate technical support and maintenance to the major fleet concentrations.

I am pleased to report that we have developed a list of recommendations that we feel will significantly improve technical support to the fleet while reducing overhead costs and duplication. We shed depot and industrial functions from the Technical Centers and returned these efforts to the Navy Industrial activities or made the decision to depend on the private sector.

An example of this industrial consolidation is our recommended closure of the Naval Surface Warfare Center, Crane Detachment, Louisville, Kentucky. This action consolidates ships' weapons systems--primarily guns and associated equipment-- with the general industrial workload at Norfolk Naval Shipyard, which already has many of the required facilities. This functional workload distribution also offers an opportunity for cross-servicing large gun barrel plating functions to the Army Watervliet (Water-vay) Arsenal in New York. Some engineering will relocate with other engineering workload at the Naval Surface Warfare Center in Port Hueneme, California. The Close-in-Weapons Systems depot maintenance functions collocated with similar functions at the Naval Surface Warfare Center in Crane Indiana.

Likewise, the closure of the Naval Air Warfare Center, Aircraft Division, Indianapolis, Indiana collocates similar efforts into Naval Surface Warfare Center, Crane, Indiana, but also consolidates weapons workload into the extensive laboratories and ranges at the Naval Air Warfare Center Weapons Division, China Lake, California, and moves aircraft related efforts into the significant consolidations that form the Aircraft Center of Excellence at Patuxent River, Maryland. By these consolidations we also realize both a reduction in excess capacity and major reductions in cost.

Obviously, Mr. Chairman, the closures were difficult decisions. But the reduction of excess capacity, the relocation of functional workload to activities performing similar work, and the economies that will be gained in the management of these similar functions demanded our consideration and resulting recommendations. Our recommendations both reduce our technical infrastructure and result in significant savings to the taxpayer and the Department of Defense, without impeding our ability to provide the forward presence, power projection and warfighting responsibilities for which we are responsible.

Operational education flexibility was the key to the Department's examination of the existing capacity within the training establishment. To support the smaller force levels dictated by the Force Structure for 2001, it might appear that we could dramatically shrink our capacity. However, we were concerned that our training activities be able to support fleet operational requirements to allow Sailors and Marines to be trained in their homeports, and that we continue to offer graduate level education and the opportunity to participate in the type of policy decision-making exercises the Naval War College offers in the joint service world. Accordingly, we eliminated excess aviation training capacity by closing and realigning two training air stations to take advantage of the full airspace and ground support synergies at the West Florida and South Texas

complexes. We also realigned "schoolhouse" training activities to be more responsive either to the fleet or to follow-on training opportunities. The result of these actions are centralized, economically-based training center complexes which serve fleet sailors and marines. Our recommendations result in educational institutions, fleet training centers, and training air stations which provide personnel-oriented, family-supportive training complexes that meet requirements for today and the future. These recommendations build on and support initiatives endorsed by previous BRAC decisions.

In the Personnel Support/Other category the Department evaluated the changes that were necessary to reflect force downsizing and closures. The focus in Reserve centers was to retain an infrastructure that supports a Reserve force that is robust, demographically sound and supports fleet readiness. For administrative activities, we pursued further streamlining to eliminate excess and support the President's National Performance Review. Reduction of management layers continues and further refines the process begun by the Department in BRAC 93.

Our recommendations resize the Reserve infrastructure by closing eleven Reserve Centers. These closures, in conjunction with BRAC 93 recommendations, maintain a presence in each state, maintain a demographically sound Reserve establishment, and are supportive of the fleet, Reserve recruiting, and readiness.

Six actions for closure and realignment are recommended for administrative activities. All of these actions reflect a concerted effort to balance the need to reduce infrastructure against that of supporting force readiness. The redirect of Space and Naval Warfare Command Headquarters to San Diego is an example of the effort to create a synergy between the Navy's headquarters commands and the fleet. This redirect consolidates a command activity with its technical activity in an area of fleet concentration. It collocates those providing the requirement with those having the requirement, and eliminates one entire management layer. This action will allow translation of fleet requirements into a product that functions in the operational environment with minimal delays.

With these recommendations I am happy to report that our BRAC-95 goals have been achieved. They reflect the closure or realignment of 62 Department of the Navy activities. Annual savings will exceed \$600 million per year, with a net present value of savings of \$8.5 billion over 20 years. These actions should be viewed in conjunction with the significant actions undertaken by the Department during BRAC-93, where our actions resulted in annual savings of \$1.4 billion and a net present value of savings of \$9.7 billion over 20 years.

For example, if implemented, the elimination of the excess capacity represented in our current recommendations could translate, in the first year alone, to the capability to accomplish nearly \$1-billion in research and development work, plus the overhaul of 12 major combatants, the training of 800 naval aviators, and the basing of approximately

two carrier air wings.

While this round of base closure evaluation was underway, the Department of the Navy continued the process of implementing the prior three rounds of BRAC decisions. For Fiscal Years 1996 and 1997 we have requested over \$3 billion to execute our base closure program. Ninety-eight Navy and Marine Corps bases were identified for closure in the previous three rounds. Thirty-eight other bases were selected for realignment. Of the original 98 bases, 49 have been closed and 11 others have been realigned. We would like to be further along on implementing these decisions, but we have been hampered by less than adequate funding. These resource limitations have restricted our ability to close facilities in a timely manner and have delayed our expected savings. These delays not only jeopardize force modernization, they also delay return of these facilities to productive civilian use.

With our BRAC-95 recommendations, Mr. Chairman, the Department of the Navy also anticipates considerable savings once the actions are realized. Obviously, if the implementation process is delayed or full funding is not received, the savings we have projected will not be realized. We already expect, and we are basing our Department budget projections on the realization of \$1.9 billion per year in savings from earlier BRAC rounds. It is, therefore, absolutely vital that we stay the course; we must make these suggested cuts in excess infrastructure. Our future readiness depends on it.

The base realignment and closure process, as you and your colleagues had the foresight to envision when you gave us these tools, has come a long way from those early days of 1988, which I know you remember well, Mr. Chairman. I can fully assure you that our process of selection has been as accurate, fair, responsible, and responsive as we could possibly make it.

As in the previous rounds, Mr. Chairman, this is a very painful process. We are saying goodbye to trusted friends and dedicated communities. They have nurtured and adopted our bases. They have fed and housed our troops. They have entertained and counseled our families during those long absences for which our maritime forces are well known. They were always there to welcome us home and to honor those who gave all they had to give. Because of this long-standing relationship, I believe the efforts of your committee are critical in ensuring the citizens of these communities that the correct decisions have been made.

Throughout the Nation we are seeing the successful reutilization of our Navy and Marine Corps installations. Local leaders are implementing plans to diversify the use of land and facilities closed and realigned under previous BRAC actions. We are confident that with the President's "Five Part Community Reinvestment Program" we can work together with communities to create new jobs. You can be confident we will do every thing we can to revitalize our communities.

And now I would like to introduce Admiral Mike Boorda, Chief of Naval Operations, General Carl E. Mundy, Commandant of the Marine Corps, Assistant Secretary of the Navy Robert B. Pirie, Chairman of our Base Structure Evaluation Committee, and Mr. Charles P. Nemfakos, Executive Director of our Base Structure Analysis Team.

**Remarks as delivered by
The Honorable Robert B. Pirie, Jr.
Assistant Secretary of the Navy (Installations and Environment)
to the 1995
Defense Base Closure and
Realignment Commission
6 March 1995**

Chairman Dixon, members of the Commission, it is an honor for me to appear with Secretary Dalton, Admiral Boorda and General Mundy today. I will try not to repeat nor dwell on points they have previously made, but to take you through the Department of the Navy's process for the 95 BRAC round. I will illustrate the process in detail by showing how the Department of the Navy addressed one specific area, the ship depot maintenance infrastructure requirement to support and maintain the 2001 force structure.

The Department focused on a qualitative target, rather than quantitative goals, to measure our efforts in this round of base closure. Admiral Boorda described these goals and their support of the Department's posture for the twenty-first century. This final round of base closure mandated by the Base Closure Act is a continuation of the prior strong commitment to the process begun in the 1988, 1991 and 1993 base closure rounds.

The list of major closures highlights the strong focus on the Research, Development, Test and Evaluation activities this round, as well as the continuing rationalization of our Operational Bases, Industrial Facilities, and Training establishment.

Clearly, the process is driven by a hard budget reality. Each successive round of base closures has acted to close a widening gap between the Department's bottom line and our infrastructure overhead. The close alignment of personnel and installation numbers after this final round of base closure is an indication of our success in this effort.

I will now lead you through the Department of the Navy process used to carry out the Act and the DoD guidance on base closure for 1995. The Department's organization to implement the law was formally established by the Secretary on December 8, 1993. Building on the lessons learned from the 1993 round, a two tiered organization was constituted to collect, analyze and evaluate the Department's infrastructure and requirements. Again, the Office of General Counsel and the Naval Audit Service were called upon to provide senior level support on staff, throughout the process.

The Base Structure Evaluation Committee, or BSEC, is the team of Navy Flag Officers, Marine Corps General Officers, and SES civilian leaders who were tasked to evaluate the certified data received and make the required recommendations on closures and realignments to Secretary Dalton. In addition to myself, the BSEC members include Mr. Charles P. Nemfakos, the Executive Director of the BSAT, our supporting staff, and the DASN (FBIRA); Vice Admiral Richard C. Allen, COMNAVAIRLANT; Vice Admiral William A. Earner, the DCNO

for Logistics; Lieutenant General Harry W. Blot, DC/S Aviation; Lieutenant General J. A. Brabham, DC/S, I & L; Mrs. Genie McBurnett, the Deputy at SPAWAR; and Ms. Elsie Munsell, the DASN (E&S). This group provided the broad spectrum of experience and mature perspective required to make the difficult decisions required by the Act.

The Base Structure Analysis Team, or BSAT, working under Mr. Nemfakos, provided staff support to the BSEC and is filled with some of the top military and civilian talent available in the Department of the Navy today. The breadth and depth of their experience provided a sound footing for the BRAC-95 analytical process undertaken. Examples of members include the former Director of Navy Labs, and former Commanding Officers from an Aircraft Carrier, a Naval Air Station, and the NADEP community. Day to day representation from the Naval Audit Service and the Office of General Counsel ensured that the process was fair, accurate and in accordance with the law and the regulations promulgated by the Secretary.

The DON process ran for more than a year. Improving on lessons learned from previous BRAC rounds, the major owners and operators of our forces and stateside infrastructure, together with the Assistant Secretaries of the Navy, participated in all aspects of the process, and the judgment of these senior leaders helped shape the final outcome. The process was designed to satisfy the analysis required by the eight DOD selection criteria.

Beginning in January 1994, the Department polled the 16 major owners and operators of the Navy and Marine Corps installations to identify the issues that they felt were imperative in accomplishing the DON mission. The themes of their imperatives dovetailed with the DON target described earlier, and reinforced the sense of direction the process should take in this round.

The universe of over 800 DON activities was divided into five categories and 27 sub-categories. These groupings allowed similar activities to be compared, and allowed the flexibility of process required to ensure a common sense answer resulted.

The process for the Department began with the development of data calls to gather the certified information necessary to measure the capacity and military value of all the installations in the DON universe. Every data call question was approved by the BSEC, and again improving upon previous rounds, those data calls were provided to the activity commanders for comment and to ensure maximum understanding, before final issue of the data call for response. Data calls were structured so that all responses would be generated at the individual activity level, and the activity commander would certify that the data was complete and correct. As the data was forwarded and reviewed by the chain of command for use by the BSEC in deliberative session, each intervening commander also certified the data's correctness. The certified responses received to these calls provide the backbone for the subsequent analysis.

Capacity analysis was conducted on each of the 27 sub-categories. Quantitative measures of capacity, to assess the "throughput", were developed for each sub-category, and related to the established force structure for Fiscal Year 2001. The capacity for each individual

activity was determined and they were summed across all activities in a sub-category to determine what was in excess of the total DON requirements to support the 2001 force.

The gross excess capacity calculation that resulted would allow a significantly larger force to be supported, therefore subsequent military value analysis was required in 19 of the original 27 sub-categories. It is important to understand that the Department's capacity in many areas is not evenly distributed, not exactly sized for typical units of the force composition, and therefore that some interstitial capacity would remain even if all removable excess were eliminated.

To illustrate the analysis process, I have chosen the Naval Shipyard / Ship Repair Facility sub-category. The gauge chosen to measure capacity and requirement for 2001 was "Direct Labor Man Years". The capacity and requirement were determined in detail, and accumulated into two basic types, nuclear work and non-nuclear work. Overall excess capacity in ship depot repair was calculated to be 7,500 Direct Labor Man Years or 29.4%. Of this, 6,000 DLMYs of the excess was in nuclear capable capacity, and 1,500 DLMYs was in non-nuclear capacity.

A military value analysis was conducted on each of the 19 sub-categories that demonstrated excess capacity. We used a method that was as objective as possible to evaluate activities within a sub-category across the complete spectrum of areas that constitute military value. Each sub-category had a tailored set of "yes/no" questions that covered an aspect of overall military value. Individual questions were associated with the four DoD criteria to which they applied and were weighted based on their importance. It is important to remember that the output score is only a relative measure, and only valid between activities within the same sub-category. Some of the specific questions were "cascaded", so in most military value matrices, the highest possible score was not 100.

The military value analysis was conducted in sequence to ensure the legitimacy of the process. I will again use the Shipyard / Ship Repair Facility sub-category to illustrate the process. The question bank was proposed by the BSAT with questions grouped into subject areas, and each question was approved by the BSEC after deliberation. For Shipyards, there were 149 questions grouped into nine subject areas: Drydocks; Production Workload; Cost and Manpower Factors; Environment and Encroachment; Strategic Factors; Operating Factors; Contingency Factors; Crews of Customer Ships; and Quality of Life. The questions were initially assigned into one of three bands of importance. The BSEC next assigned the DoD criteria to each question, and assigned a weight to each of the four DoD criteria: Readiness, Facilities, Mobilization, and Cost and Manpower, and a score from one to ten to each of the questions. The BSAT then calculated the weight of each of the questions, based on the algorithm the BSEC had previously approved for use, utilizing the weights, bands and scores approved in deliberative session. The weights for individual questions and the subject areas were reviewed in deliberative session for consistency. Only then were individual activity answers to the questions entered into the matrix and activity military value scores computed. The review of the activity military value scores ensured the result was in harmony with the perspectives developed during deliberative session while assigning individual question values.

As you can see, the five Naval Shipyards scored in a range between 38.0 and 57.6 out of 79.1 possible points. The Ship Repair Facility on Guam scored significantly lower. The first column in the chart shows the weight of each of the nine subject areas considered in the military value of shipyards. Drydock capability and Production Workload each account for about thirty percent of the score. Cost and Manpower factors account for another fifteen percent. The Quality of Life score has relatively low weight in this category, because of the small size of the active duty component present in the shipyard work force.

The configuration analysis used a Linear Programming Model to combine the results of the capacity and military value analyses and assist the BSEC in developing a starting point for deliberation. The model was designed to minimize excess capacity and to maintain the initial average military value in the sub-category. The model was constructed to allow a sensitivity analysis for changing force structure or workload. I want to stress that the model results were used only to focus the preliminary BSEC discussions of possible alternatives.

The military perspective of the BSEC members was key to the generation of potential scenarios from the initial model results. The generation of scenarios and measurement of return on investment was an iterative process, with additional scenarios issued after deliberation on the results of the initial scenario results. While the model highlighted possible solutions, it was not the driving factor in the generation of possible scenarios.

Configuration analyses resulted in scenario generation in 18 of the 19 remaining sub-categories. The Ship Intermediate Maintenance Activity sub-category was considered to be a follower group of activities and no scenario data calls were issued. The scenario data calls addressed the myriad details required to weigh the costs and benefits from the proposed closure or realignment. The data calls gathered the detailed financial information necessary for the return on investment analysis, as well as information necessary to measure the impact on the communities designated as receiving sites. Owners and operators were permitted to propose alternate receiving sites for the functions at the closing activities. In total, the BSEC reviewed 174 responses involving 119 activities.

The DoD COBRA algorithms were used as the tool to conduct the return on investment analysis. These algorithms provide a consistent method of evaluating the cost-effectiveness of proposed realignment or closure scenarios, but are not intended to develop budget quality data. The BSEC aggressively challenged cost estimates provided from the field to ensure that cost estimates were reasonable and consistent. COBRA was used as a method of ensuring that DON recommendations were cost effective, rather than to identify the "lowest cost" alternative.

The shipyard model used the common rules on capacity and military value, and included the additional rule that nuclear workload could only be accomplished at a nuclear capable yard, while non-nuclear workload could be accomplished by either nuclear or non-nuclear ones. The initial model results proposed the closure of the Long Beach Naval Shipyard, Portsmouth Naval Shipyard and the Ship Repair Facility on Guam. Secondary and tertiary solutions were also developed by requiring the model to specify the "next best" solutions. Only Long Beach Naval

Shipyard was contained in all three solutions.

After deliberation, and a review of the sensitivity analysis conducted by assuming workload increased by ten percent and decreased by ten or twenty percent, the BSEC directed that scenario data calls be generated for all three activities proposed in the initial solution. These data calls requested the certified information required for the COBRA algorithm, as well as information on where the Fleet Commanders and Systems Command leadership would send the unique facilities and workload to on the closure of the indicated activity.

The Joint Cross Service Group for Depot Maintenance also completed an analysis and forwarded alternatives to the BSEC for consideration and incorporation in the DON process. Many of these alternatives dealt with the interservicing of workload from shipyards to other service depot activities as well as other shipyards. The depot group did recommend the closure of Long Beach and Pearl Harbor Naval Shipyards. Because of the requirement for a strong presence in the Central Pacific, the Pearl Harbor closure scenario was not considered in a return on investment analysis. The Long Beach joint scenario was considered, but the return on investment was higher in the original DON scenario.

The closure of Long Beach Naval Shipyard showed immediate and strong positive return on investment. After deliberation, the BSEC decided not to recommend the closure of the Portsmouth Naval Shipyard. The closure of all three activities listed in the "optimum" solution reduced excess capacity to essentially zero. Nuclear shipyards, considered impossible to regenerate, had already been extensively reduced in the 1993 BRAC round. The workload flexibility associated with a submarine center of excellence, both in refueling and defueling for decommissioning, warranted retention of the nuclear capable asset at Portsmouth.

To further reduce the excess capacity in ship depot repair capability, over one million hours of depot work on ships systems were transferred from Technical Centers to the remaining shipyards. The NUWC Keyport realignment indicated on this chart, as well as the closures of NSWC Louisville and NAWC Indianapolis are the primary sources of this adjusted workload.

The Ship Repair Facility on Guam is closed, with the floating drydock, crane, and waterfront retained in the custody of the Naval Activities to ensure emergency access in the Western Pacific, even though the robust repair capability on Guam is no longer required. The release of the surge docking assets at Philadelphia retained in a previous BRAC round completes the picture of the scenario and return on investment deliberations in this complex area.

Economic impact analysis was conducted on each candidate for closure or realignment. This employment based analysis, calculating both the direct and indirect jobs lost due to the proposed action determined both the absolute change, the number of jobs lost, and the percentage change in unemployment for the affected labor market area. This impact was weighed against the historical trend in that area, based on available Department of Labor statistics. This analysis is conservative because any potential recovery or reuse of the candidate facilities is not considered. Across all the candidate closures and realignments, the total direct

and indirect jobs lost is estimated to be less than 33,000 over the six year implementation period of the actions. The national job growth rate is about 300,000 jobs per month, so on a national scale, the proposed closures do not have significant impact.

The information on the Los Angeles - Long Beach area illustrates the data reviewed in deliberative session. The Long Beach area mirrors the country as a whole: no extraordinary impact is seen. While the economic impact is 13,000 jobs, that number is only 0.3% of the total employment in the metropolitan area. The scenario proposed shifts 1500 workyears of effort from the shipyard to the private sector in the area, further mitigating the loss.

The final two areas that required review in compliance with the DoD selection criteria were the impact on the local community receiving the assets from closing and realigning bases, and the environmental impact of the proposed action. Both areas were reviewed for each candidate action, and no significant community infrastructure or environmental impacts were identified for any candidate scenario. Community impact looked at the total number of personnel the community gained and the current DON population in the community. Required MILCON was reviewed and any community impact MILCON was highlighted.

Some of the Long Beach Shipyard personnel transferred to the Supply Center in San Diego. The San Diego summary used by the BSEC to weigh the community impact on San Diego is illustrated. Although the total MILCON required to effect all moves into the San Diego area totals \$80 million, none was required for community impact. The number of personnel gained is not significant, compared to the already large DON presence in the area.

Environmental assessment was accomplished by studying the impact of installation restoration (IR), air quality, natural & cultural resources, and unrestricted property available at the gaining base. The assessment compared the amount of DON management effort necessary at both gaining and losing bases to comply with statutes in the environmental arena. No activity required removal from the list of potential gaining sites due to environmental issues.

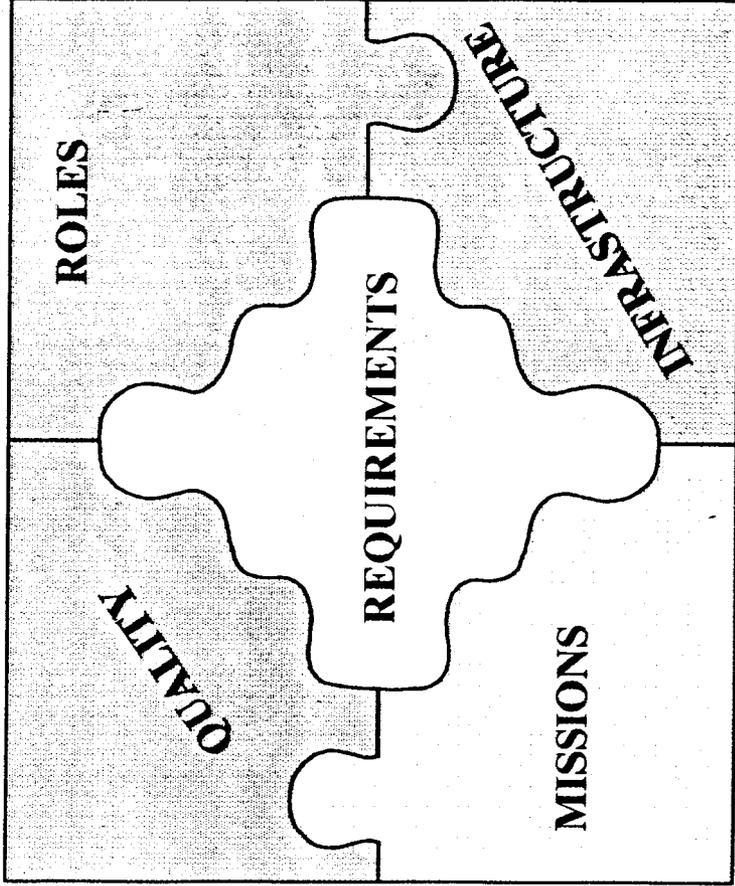
The proposed closures and realignments remove significant excess infrastructure from the Department's account. There is little overhead left in the Department's infrastructure. What we are proposing for closure in this, the final round, cuts deep into capable productive infrastructure. Unfortunately, it is infrastructure that we can not afford and can not fully utilize with the significantly smaller force anticipated in 2001.

The specific wording of each recommendation has been carefully crafted, for this is the last chance. There may never be further rounds to correct oversights in the recommendation wording, so each was carefully crafted to ensure the widest possible set of options for community reuse is permitted. Additionally, the language allows the military commanders the flexibility to position their forces in response to operational requirements. This is done recognizing that flexibility of decision in implementation inevitably invites external pressure for solutions that the Department may not believe to be in the best public interest. The proposals forwarded by the Department of the Navy for this, the final round under the current Act,

complete the actions started in the three previous BRAC rounds to rationalize our infrastructure for the force of the twenty first century.

Document Separator

DON BRAC-95 CLOSURE/REALIGNMENT RECOMMENDATIONS



6 March 1995

DON BRAC TARGET

Reduce excess infrastructure and generate responsible savings for use in recapitalization while we:

- Maintain capability for flexible operational response
- Provide sustained fleet industrial support capability
- Retain technological base critical to naval operations
- Continue rationalization of complementary training / administrative infrastructure
- Ensure remaining reserve establishment is demographically sound

A continuation of the strong beginning from prior BRAC rounds

Results support the development and sustainment of a premier combat-ready naval force, able to execute the roles of forward presence and power projection, and ensuring battlespace dominance with a fully integrated warfighting capability

Major Closures and Realignmentments

NSYD Long Beach

NAWC Indianapolis

NUWC New London

NAED Lakehurst

NSWC White Oak

NSWC Louisville

SPAWAR Headquarters

NAVSEA Headquarters

NAS Key West

NAS South Weymouth

NAS Adak

NAVACT Guam

SRF Guam

NAS Meridian

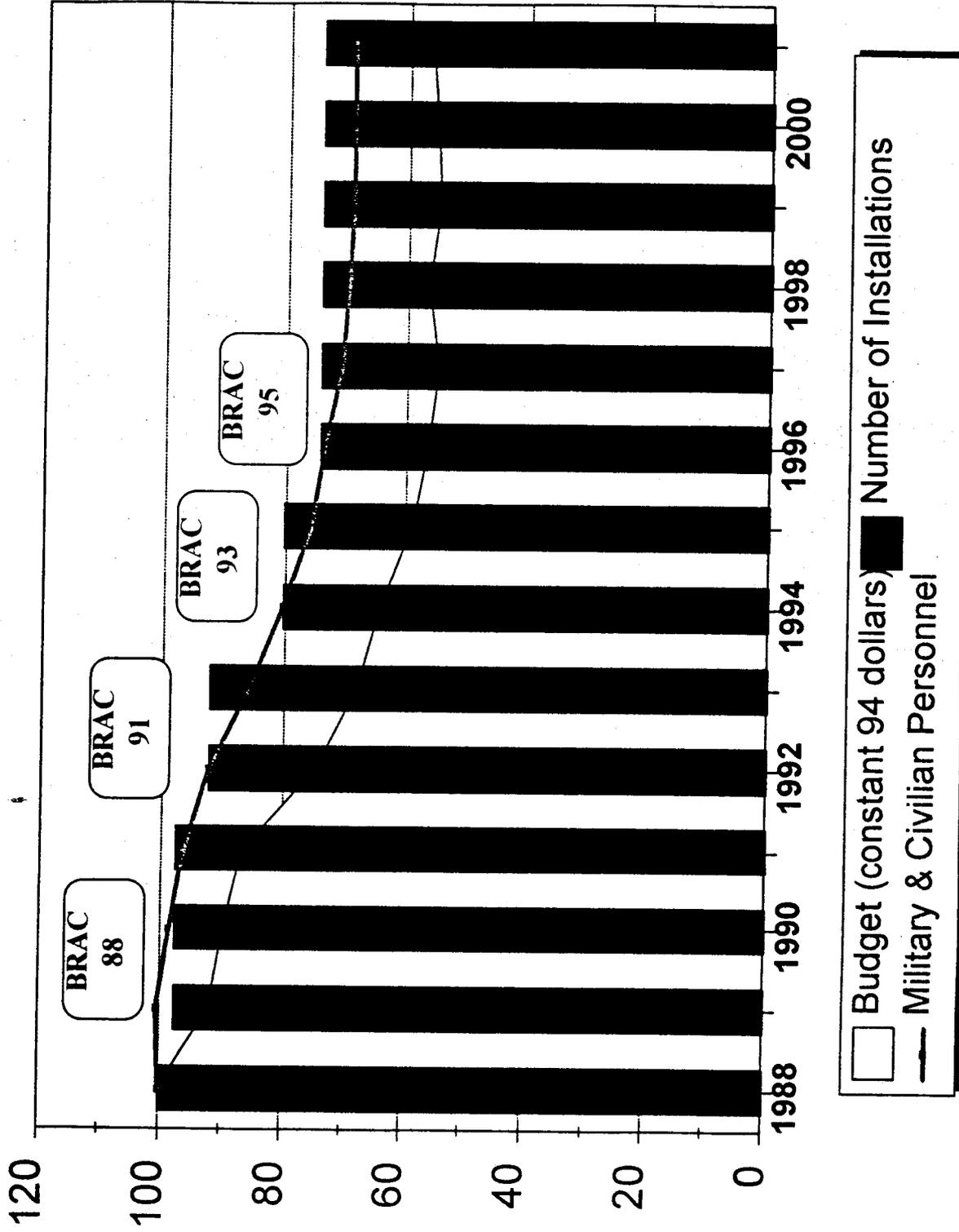
NAS Corpus Christi

NAS Lemoore

MCAS Cherry Point

- **62 total activities to close or realign**

Navy/Marine Corps Downsizing



DON BRAC-95 Organization

- **SECNAV Charter establishes DON organization:**
 - UNDER SECNAV oversees process for SECNAV
 - Base Structure Evaluation Committee (BSEC) conducts analysis and deliberations required by law
 - Base Structure Analysis Team (BSAT) collects data and performs analysis for consideration by the BSEC
 - Office of General Counsel and Navy Audit Service provide senior level support to both BSEC and BSAT

BASE STRUCTURE EVALUATION COMMITTEE

ASN (I&E) - Chair

- Hon. Robert B. Pirie, Jr.

Executive Director, BSAT - Vice Chair

- Charles P. Nemfakos (DASN, FBIRA)

Two Navy Flag Officers

- VADM Richard C. Allen (COMNAVAIRANT)
- VADM William A. Earner (DCNO Logistics)

Two USMC General Officers

- LtGen Harry W. Blot (DCS, Aviation)
- LtGen J. A. Brabham (DCS, I & L)

Two DON Senior Executive Service

- Mrs. Genie McBurnett (Deputy SPAWAR)
- Ms. Elsie Munsell (DASN, Environment & Safety)

BASE STRUCTURE ANALYSIS TEAM

- **Executive Director (SES)**
- **Broad Based Composition**
 - Senior Line and Staff Officers from Navy and Marine Corps with operational Experience
 - Senior Career DON Civilian managers
 - CNA Analysts
 - Broad spectrum of expertise and capability
- **Judge Advocate (O-5/6) (BSEC Recorders)**
- **Naval Audit Service / General Counsel representation**

Department of the Navy Imperatives

- **16 Owner/Operators identified 260+ issues, distilled into 37 Policy Imperatives**
- **Themes developed:**
 - Retain ability to pursue/sustain essential technological effort;
 - Provide appropriate maintenance support to fleet assets;
 - Structure flexible response into operational homeports; and
 - Position of forces, training and support functions IAW the total force concept.
- **Imperatives consistent with DON targets**

BRAC-95 INSTALLATION CATEGORIES

Operational Support

Operational Air Stations

Reserve Air Stations

Naval Bases

Marine Corps Bases

Fleet & Ind. Supply Centers

Telecom & Computers

Security Group

Int. Undersea Surv. Systems

Ocean & Meteorological

Military Sealift Command

Construction Battalion Centers

NAVFAC (EFDs)

Industrial Support

WPNSTA/SWF/NAVMAG

Aviation Depots

Shipyards/SRF

Public Works Centers

Marine Corps Log. Bases

Supervisor of Shipbuilding

Inventory Control Points

SIMA/TRF/NRMF

Tech Ctrs/Labs

Technical Centers/Labs

Educational/Training

Training Air Stations

Training/Educational Centers

Personnel Support/Other

Medical

Dental

Admin. Activities

Reserve Centers

Data Call Development

- **Capacity Data Calls:**
 - Identify and quantify measures of capacity
 - Emphasize throughput measures
 - Capture all facility requirements
 - Measurement must relate to force structure
 - Historic Performance or Derived Capacity
- **Military Value Data Calls:**
 - Broad-based questions to capture all facets of installation that relate to military value
 - Emphasis on four areas from DoD selection criteria
 - Common questions for common military value areas

Capacity Analysis

- **Identify quantitative measures of capacity**
 - Ensure all facility requirements captured
- **Determine capacity of sub-category**
 - Individual installation capacities summed
- **Determine required capacity based on FY 2001 force structure**
 - Evaluate each measure against requirement to determine excess

Capacity Analysis Results

- **Excess capacity would allow:**
 - Berthing of 4 CVBGs extra
 - Parking of 5 Air Wings extra
 - Maintenance of 33 additional ships annually
 - Maintenance on 132 airframes and 1500 engines annually
 - Training of 1390 pilots and 216,000 additional students annually
 - Performance of \$1.1 Billion of extra R&D work annually
- **Excess capacity is gross measure**
 - Not evenly segmented

Shipyard/Ship Repair Facility Capacity Analysis

- **Throughput measure is Direct Labor Man Years (DLMY) for specific work packages**
 - Capacity calculated for nuclear and non-nuclear work
- **Excess capacity in FY 2001 is:**
 - Nuclear: 37.5% (6.0 K DLMYs)
 - Non-nuclear: 15.6% (1.5 K DLMYs)
 - Total: 29.4% (7.5 K DLMYs)

Military Value Analysis

- **Military Value analysis conducted on 19 sub-categories that demonstrated excess capacity**
- **Approach:**
 - Generate military value scores within each sub-category using non-subjective methods
 - Series of yes / no questions
 - Question weights reflect relative importance
 - Questions assigned to each of the four DoD mandated criteria
- **Output:**
 - Relative measure of military value within a given sub-category
 - Not a quantitative difference (10% difference does not mean one installation is 10% more valuable)
 - Highest possible score may not be 100

Military Value Analysis

- **Process:**
 - Develop questions to cover all areas of military value, grouped into subject areas
 - Approve questions and assign weight to DoD criteria for each question
 - Assign score to each question
 - Calculate military value weight of each question and subject area
 - Review & approve question and subject weights
 - Answer questions for specific activities and calculate activity scores
 - Review question answers and activity scores for consistency and counter-intuitive results

NAVAL SHIPYARDS - Military Value Matrix

DC #	Pg #	Qst #	QUESTIONS
DRYDOCKS			
9H	Pages	3.1	Can the NSY drydock a CVN/CV?
9H	31-34	3.1	Can the NSY drydock 4 or more SSN-688s, simultaneously?
9H		3.1	Can the NSY drydock 3 or more SSN-688s, simultaneously? ...
COST AND MANPOWER FACTORS			
42	34	8.1	Is the FY 1997 hourly direct labor cost less than \$29/hour?
42	34	8.1	Is the FY 1997 hourly fully burdened rate less than \$59/hour? ...
42	29	6.1	Were more than 500 apprentices trained over the past 5 years? ...
PRODUCTION WORKLOAD			
....			
42	23	2.5	Did the NSY perform work in support of non-DON customers?
42	18	1.2	Did or will the NSY perform CVN RCOH/COHs from FY 1990 thro

NAVAL SHIPYARDS - Military Value Matrix

Ques Impo	DC #	Pg #	Qst #	QUESTIONS
				DRYDOCKS
1	9H	Pages	3.1	Can the NSY drydock a CVN/CV?
1	9H	31-34	3.1	Can the NSY drydock 4 or more SSN-688s, simultaneously?
1	9H		3.1	Can the NSY drydock 3 or more SSN-688s, simultaneously?
				...
				COST AND MANPOWER FACTORS
1	42	34	8.1	Is the FY 1997 hourly direct labor cost less than \$29/hour?
1	42	34	8.1	Is the FY 1997 hourly fully burdened rate less than \$59/hour?
				...
2	42	29	6.1	Were more than 500 apprentices trained over the past 5 years?
				...
				PRODUCTION WORKLOAD
				...
3	42	23	2.5	Did the NSY perform work in support of non-DON customers?
1	42	18	1.2	Did or will the NSY perform CVN RCOH/COHs from FY 1990 thro

NAVAL SHIPYARDS - Military Value Matrix

Ques Impo	DC #	Pg #	Qst #	QUESTIONS	M.V. Criteria/Weights					
					R	F	M	C		
				DRYDOCKS						
1	9H	Pages	3.1	Can the NSY drydock a CVN/CV?	1	1	1	1	0	0
1	9H	31-34	3.1	Can the NSY drydock 4 or more SSN-688s, simultaneously?	1	1	1	1	0	0
1	9H		3.1	Can the NSY drydock 3 or more SSN-688s, simultaneously? ...	1	1	1	1	0	0
				COST AND MANPOWER FACTORS						
1	42	34	8.1	Is the FY 1997 hourly direct labor cost less than \$29/hour?	0	0	0	0	1	1
1	42	34	8.1	Is the FY 1997 hourly fully burdened rate less than \$59/hour? ...	0	0	0	0	1	1
2	42	29	6.1	Were more than 500 apprentices trained over the past 5 years? ...	0	0	0	0	1	1
				PRODUCTION WORKLOAD						
				...						
3	42	23	2.5	Did the NSY perform work in support of non-DON customers?	1	0	0	0	0	0
1	42	18	1.2	Did or will the NSY perform CVN RCOH/COHs from FY 1990 thro	1	0	0	0	0	0

NAVAL SHIPYARDS - Military Value Matrix

Ques Impo	QUESTIONS	M.V. Criteria/Weights					TOTAL MV
		R 40	F 25	M 15	C 20	Score	
	DRYDOCKS						
1	Can the NSY drydock a CVN/CV?	1	1	1	0	10	31.48
1	Can the NSY drydock 4 or more SSN-688s, simultaneously?	1	1	1	0	10	1.94
1	Can the NSY drydock 3 or more SSN-688s, simultaneously?	1	1	1	0	8	1.55
	...						
	COST AND MANPOWER FACTORS						
1	Is the FY 1997 hourly direct labor cost less than \$29/hour?	0	0	0	1	10	14.08
1	Is the FY 1997 hourly fully burdened rate less than \$59/hour?	0	0	0	1	10	0.82
	...						
2	Were more than 500 apprentices trained over the past 5 years?	0	0	0	1	4	0.33
	...						
	PRODUCTION WORKLOAD						
	...						
3	Did the NSY perform work in support of non-DON customers?	1	0	0	0	4	0.28
1	Did or will the NSY perform CVN RCOH/COHs from FY 1990 thro	1	0	0	0	10	0.71

NAVAL SHIPYARDS - Military Value Matrix

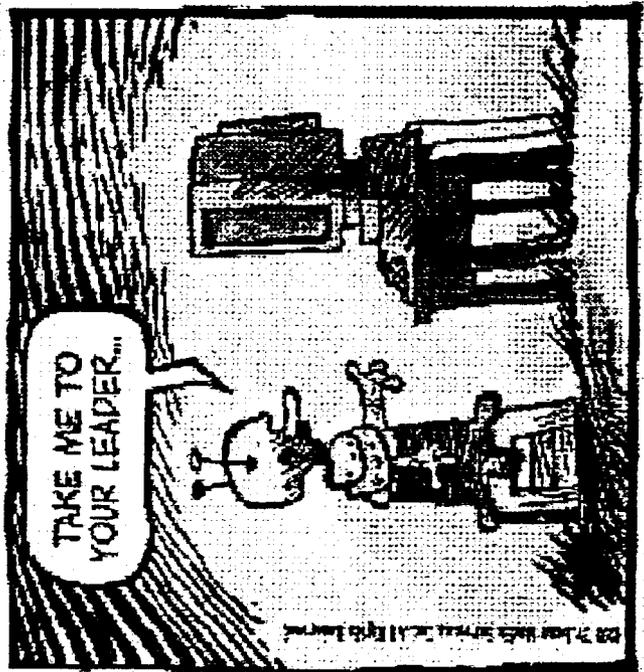
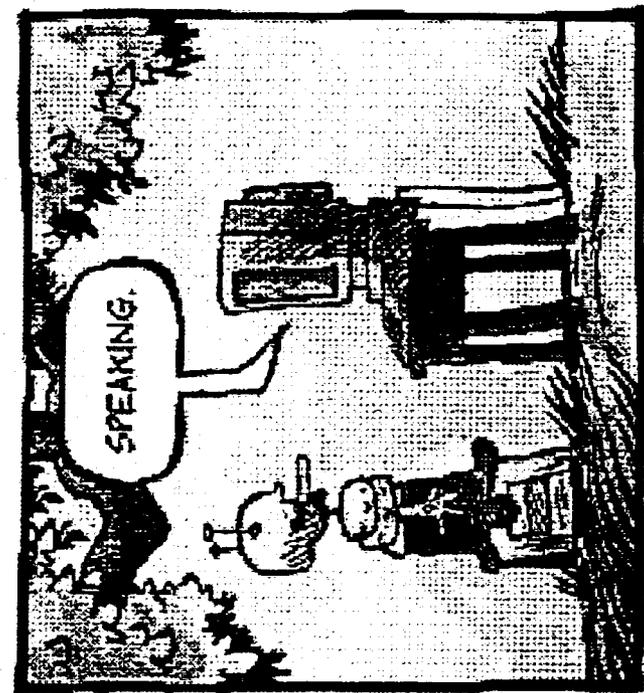
Ques Impo	QUESTIONS	Score	TOTAL M V	RESPONSES					
				PTSM	NORVA	LGBCH	PUGET	PEARL	GUAM
	DRYDOCKS		31.48	4.47	15.35	9.33	18.07	13.60	17.17
1	... Can the NSY drydock a CVN/CV?	...	10	1.94	0	1	1	1	0
1	... Can the NSY drydock 4 or more SSN-688s, simultaneously?	...	10	1.94	0	1	0	1	0
1	... Can the NSY drydock 3 or more SSN-688s, simultaneously?	...	8	1.55	1	0	1	0	1
	...								
	COST AND MANPOWER FACTORS		14.08	5.98	7.60	4.02	8.03	4.88	7.75
1	... Is the FY 1997 hourly direct labor cost less than \$29/hour?	...	10	0.82	1	1	1	0	1
1	... Is the FY 1997 hourly fully burdened rate less than \$59/hour?	...	10	0.82	0	1	0	1	0
	...								
2	... Were more than 500 apprentices trained over the past 5 years?	...	4	0.33	1	0	0	1	0
	...								
	PRODUCTION WORKLOAD		29.61	9.03	15.15	9.27	11.58	9.27	2.46
	...								
3	... Did the NSY perform work in support of non-DON customers?	...	4	0.28	1	1	1	1	1
1	... Did or will the NSY perform CVN RCOH/COHs from FY 1990 thr	...	10	0.71	0	0	0	1	0

Shipyard/ SRF Military Value Results

	% of Total MilVal	Activity					
		PTSM	NORVA	LGBCH	PUGET	PEARL	GUAM
Drydocks	31.5	4.5	15.5	9.3	18.1	13.6	1.2
Production Workload	29.6	9.0	15.2	9.3	11.4	10.5	2.6
Costs & Manpower	14.1	6.0	7.6	4.0	8.0	4.9	7.8
Envirn. & Encrchmt.	9.2	7.0	7.0	5.2	8.3	6.5	7.0
Strategic Factors	5.1	4.1	4.1	3.8	3.8	3.2	1.0
Crews of Cust. Ships	3.3	1.6	0.0	1.6	2.6	1.7	0.0
Quality of Life	3.3	2.7	1.9	1.8	2.7	2.0	2.1
Operating Factors	3.2	2.5	2.3	2.5	2.5	1.9	2.4
Contingency	0.8	0.6	0.7	0.6	0.2	0.4	0.4
TOTAL Military Value	100.0	37.8	54.1	38.0	57.6	44.7	24.3

Configuration Analysis

- **Tool used to identify set of installations that best meet needs of Navy and Marine Corps**
- **“Optimum” solution minimizes excess capacity while maintaining average military value**
 - Additional rules for sub-category unique requirements may be added to model
- **Allows sensitivity analysis**
- **Results are the starting point for BSEC deliberations**



Scenario Development

- Configuration Analysis output/BSEC deliberations resulted in development of closure/realignment alternatives
- BSEC reviewed multiple options for eliminating excess capacity
 - Scenario development an iterative process
 - Included input from senior DON leadership and owners/operators
- 174 scenarios involving 119 activities evaluated by BSEC

Return on Investment Analysis

- **Cost of Base Realignment Actions (COBRA) algorithms used by all DoD Components to evaluate costs, savings and return on investment associated with closure or realignment scenarios**
- **Major Claimants/chains of command provided certified data used to conduct COBRA analyses**
- **BSEC aggressively challenged cost estimates to ensure reasonableness and consistency with policy/procedures**
- **COBRA used as a tool to ensure recommendations are relatively cost effective**

Shipyard/ SRF Configuration Analysis

- **Configuration model rules:**
 - Minimize excess capacity
 - Maintain average military value
 - Nuclear work accomplished only at nuclear capable shipyards
 - Nuclear capacity can be used to meet nuclear and non-nuclear work requirements
- **“Optimum” solution set:**
 - Close Long Beach NSYD, Portsmouth NSYD, SRF Guam
 - Both secondary and tertiary solution sets contained Long Beach NSYD. No other yard appeared in all three solutions.
- **BSEC deliberations resulted in scenario data calls for all three activities listed in optimum solution**

NSYDs / SRF CONFIGURATION MODELING RESULTS

Option	Activity							% Excess	Average MilVal
	Portsmouth	Norfolk	Puget Sound	Long Beach	Pearl Harbor	Guam			
PRIMARY	█			█		█		1	52.13
SECONDARY				█			█	2	49.84
TERTIARY	█			█				4	45.16
10% More							█	14	48.61
2nd							█	14	46.87
3rd	█							16	43.74
10% Less							█	-6	49.91
2nd		█					█	-6	44.55
3rd	█							-3	43.49
20% Less	█						█	-22	45.31
2nd			█				█	-22	43.31
3rd			█				█	-12	45.54

Note: Per cent excess is based on constant (FY 2001) requirement.

█ = Closed

Initial Average MilVal: 42.75

Naval Shipyards & Depot Repair Facilities

- **4 Activities recommended for closure/realignment:**

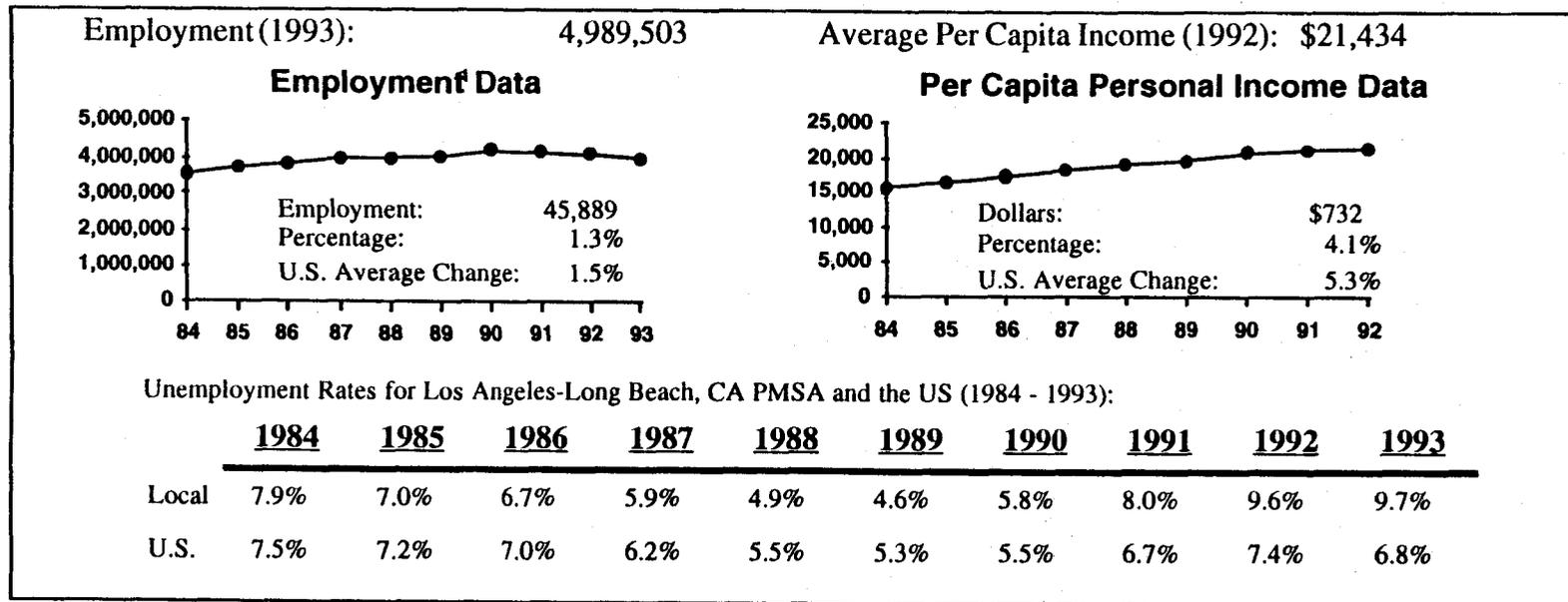
<u>Activity</u>	<u>Cost</u>	<u>Save</u>	<u>ROI Yr.</u>	<u>SS Savings</u>	<u>20 Yr Savings</u>
SRF Guam	\$8.4M	\$7.8M	Immed.	\$37.8M	\$529.0M
Long Beach NSYD	\$74.5M	\$0.2M	Immed.	\$130.6M	\$1948.6M
Phila. Docks	\$0	\$8.1M	Immed.	\$8.8M	\$134.7M
Realign NUWC Keyport	\$2.1M	\$3.0M	1 Yr.	\$2.1M	\$29.7M
Total	\$85.0M	\$19.0M		\$179.2M	\$2.6 B

Economic Impact Analysis

- **DoD Economic Impact Data Base:**
 - **Employment-Based Analysis** - Direct and Indirect impacts included.
 - **Dual Impact Measures** - Absolute and percentage change in area employment calculated.
 - **Historical Data Trends** - Employment, unemployment and personal income reviewed.
 - **Conservative Approach** - Impact typically overstated; potential recovery/reuse not considered.
- **BRAC-95 total job change (over 6 years) = 33,000 jobs**

Los Angeles - Long Beach, CA PMSA

<u>Actions</u>	<u>Direct Jobs</u>	<u>Indirect Jobs</u>	<u>Total Jobs</u>	<u>% of Employment</u>
Close NSY Long Beach	-4,029	-9,232	-13,261	-0.3%
Close SUPSHIP Long Beach	-19	-11	-30	0.0%
Close NMCRC Pomona	-10	-5	-15	0.0%
	-4,058	-9,248	-13,306	-0.3%



• **1500 Direct Workyears to be shifted to private sector**

Local Community Infrastructure Impacts

- **Evaluated ability to absorb additional DON personnel & missions:**
 - Off base housing
 - Schools
 - Public transportation
 - Fire & Police
 - Health Care
 - Utilities (water & energy supply, sewage & waste disposal)
 - Recreational facilities
- **No significant community infrastructure impacts identified for any scenario**

BRAC-95 Economic Impact

San Diego CA

<u>Activity</u>	<u>Military</u>	<u>Students</u>	<u>Civilian</u>	<u>Contractors</u>	<u>Total</u>
Jobs Out:					
NAS Miramar	552	279	0	0	831
NAS North Island	423	0	0	0	423
NCCOSC RDT&E	34	0	222	118	374
NISE West	<u>0</u>	<u>0</u>	<u>58</u>	<u>0</u>	<u>58</u>
Total:	1009	279	280	118	1686
Jobs In:					
FISC San Diego	0	0	18	0	18
NAS North Island	1415	120	267	0	1802
NAVMEDCEN	102	0	35	0	137
NAVSTA San Diego	48	127	22	0	197
NCCOSC RDT&E	<u>154</u>	<u>0</u>	<u>666</u>	<u>0</u>	<u>820</u>
Total:	1719	247	1008	0	2947
Net Job Change	710	-32	728	-118	1288

- **Total MILCON: \$62.2M New Construction; \$16.9M Rehab**
- **No community infrastructure impact**

Environmental Impact Analysis

- **Issues reviewed:**
 - Environmental management efforts
 - Air quality impacts/conformity requirements
 - Installation restoration (IR) cleanups
 - Adequate utilities/infrastructure
 - Available undeveloped, unrestricted property
 - Natural/cultural resources
- **No significant environmental impacts identified for any scenario**

Capacity Elimination Summary

- **Scenarios would reduce excess capacity by:**
 - Almost \$1 Billion of R&D Work per year
 - Overhaul of about 12 major combatants per year
 - Training of over 800 Naval Aviators per year
 - Parking of about 2 Carrier Air Wings
 - Berthing of 2 CVBGs

DON BRAC Summary

	BRAC 1988	BRAC 1991	BRAC 1993	BRAC 1995	Total BRAC
Major Closures	4	9	20	10	43
Other Closures & Realignments	8	25	71	52	156
Steady State Savings	--	\$397M	\$1.4 B	\$605M	
20 Year Return	--	\$1.7B	\$9.7B	\$8.5B	



GENERAL

1. Secretary Dalton, 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 Dalton, 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 Dalton, 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 Dalton, 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 Dalton, 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 Dalton, 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 Dalton, 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 Dalton, 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 Navy give its base commanders regarding cooperation with local communities during the BRAC process?

FORCE STRUCTURE/READINESS

1. Secretary Dalton, the Navy's report indicates that even if all recommendations to this Commission regarding the Navy are approved, excess capacity will exist in a number of mission areas.

Additionally, the report indicates that the Navy's goal is to reduce its infrastructure to the minimum required to support its forces in the year 2001.

Would you outline the categories where this excess capacity will remain, along with the reasons for retaining the excess? For example, 344 battle force ships are currently projected in the 1999 force level, a drop from the 425 ships projected two years ago. In view of this reduction, why were no naval bases recommended for closure, even though excess capacity remained at the previously projected force level?

PROCESS

1. Secretary Dalton, we heard testimony last week from Secretary Perry, that the size of the list of recommendations to this commission was limited by the Department of Defense's management ability to implement BRAC actions when they are added to those of previous rounds. In view of the size of the 1993 list, how--if at all--did these concerns affect the Navy's 1995 recommendations?
2. Secretary Dalton, when a base has multiple functions and, as such, could fall under more than one installation category, it is our understanding that the base was ranked by each of its functions. In these cases, how did the Navy evaluate its military value?
3. Secretary Dalton, in the analysis of bases affected by several recommendations, COBRAs examine the effects in the aggregate. In such cases, is there a way to determine the impact of each individual recommendation?
4. Secretary Dalton, last week Secretary Gotbaum described the method used by the Services to create a military value ranking for each base in a category which was used to determine closure or realignment choices. Are there any circumstances where the Navy closed or realigned bases which ranked higher than bases not included on the Navy list? If so, please explain the reason for not following the military value rankings.
5. Secretary Dalton, the Navy recommendations include a long list of redirects. What is the value of the military construction costs eliminated by the redirects? Are these costs based on the 1993 COBRA analyses or on the more detailed assessments performed during implementation planning?

ECONOMIC IMPACT

1. Secretary Dalton, your report states that “because of the large number of job losses occurring in California and Guam, the DON decided against recommending several closures that could otherwise have been made.”

How did you decide on the economic threshold that eliminated California and Guam from further closures? Did you establish this economic threshold on your own, or was it directed by the Office of the Secretary of Defense?

Which closures were not recommended and were bases in other locations substituted for them?

How many jobs would have been lost if they had been closed and what savings did the Navy sacrifice to keep them open?

Did this decision consider job losses from only this round or did it take into account job losses resulting from previous rounds of closures?

JOINT CROSS-SERVICE

1. Secretary Dalton, Secretary Perry and Deputy Secretary Deutch recently testified before this Commission that in the cross-service area significant excess capacity will exist after BRAC-95 and will provide future opportunity for reduction. The message that "more needs to be done" in joint cross-servicing came through loud and clear.

In light of these statements, along with the rather small success that the cross-service groups had in getting the services to adopt their alternatives, do you think interservicing can ever be a successful means to eliminate excess capacity?

2. Secretary Dalton, it is our understanding that the Joint Cross-Service Groups provided the Services with various alternatives to increase cross-service usage of common resources in a number of areas. The Navy's report indicates that twenty such alternatives were "subsumed" by the Navy's recommendations.

Would you explain the procedures the Navy used in considering these alternatives, and can you point to a few examples where these alternatives resulted in specific recommendations to this Commission regarding a Navy installation? Which alternatives were not included in Navy's recommendations?

TRAINING AIR

1. Secretary Dalton, have the Navy and the Air Force agreed to a fully integrated Undergraduate Pilot Training program? How did this affect the Navy's recommendations to close or realign pilot training bases?
2. Secretary Dalton, it was the Commission's finding in 1993 that the Navy would require two strike training bases to accommodate the current and future pilot training rate. The Commission further found military construction for the T-45, the Navy's new intermediate and advanced strike training aircraft, which is completed at Naval Air Station Kingsville and has begun at Naval Air Station Meridian, is required at two sites to support future pilot training. Therefore, the 1993 Commission recommended that Naval Air Station Meridian remain open.

What has changed since 1993 that allows the Navy to now recommend the closure of Naval Air Station Meridian?

Is the Navy planning to conduct strike training at any other location than Naval Air Station Kingsville?

3. Secretary Dalton, it is our understanding that the Joint Cross-Service Group recommended that Naval Air Station Whiting Field, Florida be closed and that all rotary wing training be collocated at Fort Rucker, Alabama.

Will you please comment as to why the 1995 DoD recommendations did not address this option?

Was it considered as an alternative?

OPERATIONAL AIR

1. Secretary Dalton, the Navy has requested significant changes in the plan for basing aircraft that resulted from the 1993 decision to close Marine Corps Air Station El Toro in California and Naval Air Station Cecil Field in Florida. Please explain what has changed since 1993 that caused the Navy to require such a dramatic change?
2. Secretary Dalton, when considering the redirect involving Marine Corps Air Stations Tustin and El Toro, did the Navy consider redirecting any aviation assets to March AFB, California?

If so, why wasn't the option to use excess capacity at March acceptable to the Navy?

SHIPYARDS/DEPOTS

1. Secretary Dalton, minutes from the Navy's Base Structure Evaluation Committee deliberations during the 1993 round state that the Committee was "concerned that there was insufficient capacity on the West Coast for dry-docking carriers and other large ships." Therefore, they agreed not to consider Long Beach Naval Shipyard for closure."

Mr. Secretary, what has changed since 1993 that allows you to recommend that shipyard for closure?

2. Secretary Dalton, it appears that the Navy ran a consolidated Cost of Base Realignment Action, or COBRA, on Naval Air Warfare Center Indianapolis and Naval Surface Warfare Center Louisville.

Were closure decisions based on the combined COBRA and not on individual assessments?

What are the specific costs to close and the twenty year Net Present Value for the separate recommendations affecting Indianapolis and Louisville?

3. Secretary Dalton, when assessing the closures of Naval Air Warfare Center Indianapolis and Naval Surface Warfare Center Louisville, did the Navy consider the option of privatization in place or joint public-private operation of either facility?

4. Secretary Dalton, the Navy has closed 3 of its 6 aviation depot activities in previous rounds. The Air Force has made a determination that downsizing their aviation depots rather than closing them creates greater savings.

Has the Navy evaluated the downsizing option?

If so, why was it rejected over the closure option?

Is there excess capacity remaining in the Navy's aviation depots?

If so, did the Navy consider closing additional aviation depots?

5. Secretary Dalton, what is the Navy's current level of interservicing aviation depot workload?

Considering the Navy's recent decision to move the F/A -18 workload which had been interserviced with the Air Force back to the Navy what are your plans for interservicing?

Why was the F/A-18 workload moved back to Navy facilities?

Did the Air Force's plan to downsize their depots have any effect on the Navy's recommendations for closure or realignment of their aviation depots?

6. Secretary Dalton, did the 60%-40% depot workload split between public and private facilities required under current law have any effect on the Navy's recommendations?

At the present time what are the Navy's public-private depot workload percentages?

7. Secretary Dalton, is it the Navy's policy to perform carrier refueling overhauls at Newport News rather than at a public shipyard?

If so, did this policy have any effect on the Navy's shipyard recommendations?

8. Secretary Dalton, several Navy recommendations move industrial and technical missions at smaller facilities to shipyards and aviation depots. Were any similar missions considered for relocation to the Long Beach Naval Shipyard, such as missions currently being performed at Marine Corps Logistic Base Barstow?

9. Secretary Dalton, based on our staff's preliminary review of your information, it appears that nuclear shipyard capacity is approximately 40% in excess of needs, yet you are only closing the only shipyard with no nuclear capacity. How do you explain carrying the excess capacity?

10. Secretary Dalton , the Navy's detailed analysis states that Portsmouth Naval Shipyard was removed from consideration due to the possibility that the Navy might need to refuel more 688-class submarines while awaiting delivery of a replacement class of submarine.

Does this mean that the Navy is contemplating the extension of the lives of some Los Angeles-class attack submarines?

Does this mean that sufficient capacity does not exist in other naval shipyards to meet the potential submarine workload?

According to the Navy's COBRA analysis the closure of Portsmouth Naval Shipyard results in an immediate return on investment and a 20 year Net Present Value of more than \$2 billion and ongoing savings of \$150 million per year. Was this level of savings compared to the projected costs of improving the 688-class submarine work capabilities at other shipyards?

What is the capability of the private sector submarine builders to do non-refueling submarine overhaul work? Did you consider the use of this capacity in your analysis?

11. Secretary Dalton, in 1993, Long Beach Naval Shipyard had a military value significantly higher than both Pearl Harbor and Portsmouth shipyards. In 1995, the Navy has ranked Long Beach just slightly above Portsmouth, and well below Pearl Harbor. What changed your analysis?

TECHNICAL CENTERS

1. Secretary Dalton, the Navy has recommended the complete closure of Naval Surface Warfare Center, White Oak, in Maryland.

Does this mean that the Navy no longer needs the test facilities located there, including the wind tunnel.

Does the Navy anticipate any other DoD or federal agency taking over the facilities in-place?

2. Secretary Dalton, there exists a great opportunity for reduction in test and evaluation infrastructure in the testing of high performance aircraft and electronic warfare systems.

Why didn't the Navy move high performance aircraft testing to Edwards Air Force Base, as suggested by the Test and Evaluation Joint Cross-Service Group?

What is your view on the Air Force's decision to move some of Eglin Air Forces Base's electronic warfare missions to Nellis Air Force Base rather than to Naval Air Warfare Center, China Lake, as suggested by the Test and Evaluation Joint Cross-Service Group?

3. Secretary Dalton, did the Navy consider the alternative of moving Naval Air Warfare Center Point Mugu test and evaluation missions to Naval Air Warfare Center China Lake or Eglin Air Force Base as suggested by the Test and Evaluation Joint Cross-Service Group?

4. Secretary Dalton, the Director of Defense Research and Engineering, in a 13 February 1995 memo, stated, "The laboratories retain significant duplication and excess capacity..." To reduce this excess, the Joint Cross-Service Group recommended the consolidation of C-41 acquisition and R&D to Fort Monmouth and explosives to Picatinny Arsenal and the Naval Air Warfare Center China Lake. The Navy did not accept these alternatives and decided to move C-41 to San Diego and to maintain explosives at Indian Head.

Why did the Navy not adopt the alternatives recommended by the Joint Cross-Service Group?

RESERVE CENTERS

1. Secretary Dalton, did the Navy consider possibilities for consolidating reserve facilities with those of other services that are located in the same area?
2. Secretary Dalton, did the Army's interest in some of the facilities at the Naval Air Reserve Center Olathe, Kansas have any effect on the Navy's decision to close that facility?
3. Secretary Dalton, the Navy ranked six Reserve Air Stations, and of the six, Naval Air Station Atlanta was ranked lowest. Naval Air Station Atlanta was not, however, recommended for closure, because it is located in an area that is "demographically rich" for reserve recruitment. As a result, Naval Air Station Weymouth, Massachusetts, despite receiving a higher ranking than the Atlanta air station, was recommended for closure,.

Would you explain the method used by the Navy to determine the relative value of a reserve installation's geographic location with respect to reserve recruiting?

Also, please explain why recruiting potential was given a higher weight than military values.

ADMINISTRATIVE

1. Secretary Dalton, did the Navy review any of the lease and sale offers made by building owners in Crystal City? If reviews were made of these offers, why were they not accepted by the Navy?
2. Secretary Dalton, the Navy has requested a redirect to move the Naval Sea Systems Command to the Washington Navy Yard instead of to the Naval Surface Warfare Center, White Oak, Maryland.

Would you please characterize the general category of the facilities at both sites in their current configuration? For example would they be categorized primarily as administrative space or industrial/warehousing space?

Is the cost of renovating the Navy Yard facilities for Naval Sea System Command's use less than the cost to renovate the existing facilities at White Oak?

Are present estimates for the renovations at White Oak higher than those presented to the 1993 Commission when it originally considered the relocation of Naval Sea Systems Command? If so, how did you change your estimation procedures for this round to minimize inaccuracies?

SUPPLY

1. Secretary Dalton, regarding your decision not to close the Aviation Supply Office (ASO), Philadelphia, the Navy's report states: "the gap between attributed costs and savings was most likely to narrow under the realities of implementation, resulting in an even narrower benefit between costs and savings." This implies an inaccuracy in the data. Please explain this comment?
2. Secretary Dalton, the Defense Logistics Agency plans to move some of the Defense Industrial Supply Center's mission out of Philadelphia. Did the Navy's analysis relative to the two inventory control points in Philadelphia and Mechanicsburg consider the DLA recommendation and the excess office space that it will make available in Philadelphia?
3. Secretary Dalton, the analysis for supply centers indicated that the center in Oakland was not closed because of "concern over eliminating additional civilian jobs". Why wasn't a similar consideration given to the supply center in Charleston, considering the large civilian job loss in that area?

MISC. OPERATIONAL

1. Secretary Dalton, with regard to closing the facilities on Guam, would you explain how operational commanders in the Pacific provided input and participated in the decision?
2. Secretary Dalton, the Navy's Detailed Analysis states that the Navy intends to retain the waterfront assets on Guam for contingencies and to support the afloat tender. If the Navy were guaranteed access to necessary facilities in the event of hostilities, would you consider allowing the Government of Guam access to the waterfront?
3. Secretary Dalton, the Navy's justification for recommending the closure of the Naval Air Facility, Adak in Alaska is that the Navy's anti-submarine warfare surveillance mission no longer requires the facility to base or support its aircraft. According to documents submitted to the Commission, the air facility at Adak has already been undergoing a drawdown to meet Congressionally-mandated budget reductions and the Navy's overall downsizing initiatives.

Does this mean that there has been a decrease in the threat since 1993, or has the mission of anti-submarine warfare that was carried out at Adak been transferred elsewhere?

ENVIRONMENTAL

1. Secretary Dalton, DoD policy states that “unique contamination problems requiring environmental restoration will be considered as a potential limitation on near-term community reuse.” Were any installations eliminated from closure consideration due to unique contamination problems? If so, please elaborate.
2. Secretary Dalton, DoD began its “Fast Track Cleanup” program eighteen months ago to speed cleanup on closing bases.

Does “Fast Track Cleanup” cause the Navy to clean up a closing base sooner than if the base were to remain open?

Do costs of cleanup increase because the cleanup is on the fast track? If so, should the increased cost of cleanup be considered in cost of closure calculations?

3. Secretary Dalton, as the Navy made its closure and realignment decisions, what role did environmental compliance play in its analysis? For example, did the fact that a base’s expansion potential is limited by environmental restrictions 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?

4. Secretary Dalton, were any of the Navy’s redirects to this Commission caused by environmental restrictions on previously-planned receiving sites, such as naval air stations in California?

5. Secretary Dalton, how many installations recommended for closure in this or prior rounds are expected to have substantial portions of land placed into caretaker status due to unique contamination problems?

6. Secretary Dalton, several of the Navy recommendations state that conformity determinations will be required before certain actions are implemented. What will the Navy do if these air quality determinations are unfavorable? For example, it is our understanding that a personnel and aircraft loading at Naval Air Station, Oceana in 2001 that is lower than the loading in Fiscal Year 1990 may not guarantee a favorable determination of conformity under the Clean Air Act.

QUESTIONS FROM MEMBERS OF CONGRESS

Senator Wendell Ford (Kentucky)

1. In regard to Naval Surface Warfare Center, Louisville, Kentucky would you comment on the data used by the Base Structure Executive Committee to make the decision to place that facility on the list? I have heard the data call information forwarded to the Department of the Navy, by Crane Division and NAVSEA, indicated the cost of moving the Phalanx work, currently being done at Louisville, to Crane, Indiana would be less than officials originally determined. I also understand the discrepancies in those figures were brought to the attention of the Inspector General who conducted an audit and verified that indeed the figures submitted were not correct, and the cost of moving the work to Crane, Indiana would be higher than the figures given to the Navy's Base Structure Executive Committee. Please comment on this information request that a copy of the Inspector General's audit be provided to this commission.

2. Also in the case of Naval Surface Warfare Center, Louisville, how do you evaluate and justify splintering the current work being done by the Louisville workforce of engineers and machinists - those places being Norfolk, Virginia, Port Hueneme, California, and Crane, Indiana? Was not it the determination of an early BRAC Commission to not close the Louisville facility in order to keep the Navy's 5-inch gun work, and now Phalanx work, consolidated and centrally located to ship ports on both coasts of the United States?

Senator Rick Santorum (Pennsylvania)

1. Machinery systems engineering has been migrating to the Naval Surface Warfare Center (NSWC)-Philadelphia for several decades. The BRAC 95 proposal to continue this migration by moving all machinery Research and Development to NSWC-Philadelphia consolidates a majority of machinery systems responsibility in Philadelphia (approx. 2000 people and \$800 M worth of machinery facilities) and is a logical progression in reducing infrastructure and improving overall machinery development and performance. In order to provide further reduction in infrastructure, have you considered consolidating the entire function of machinery systems in NSWC-Phila, some of which is still being performed in NAVSEA headquarters?

2. BRAC 93 decisions included moving the Naval Sea Systems Command from Crystal City to White Oak. The BRAC 95 proposes closing White Oak and moving NAVSEA to the Washington Navy Yard. Was there any consideration given to relocating NAVSEA to the Philadelphia Naval Base?

Representative Robert A. Borski (Pennsylvania)

1. In your proposal to close and relocate the Naval Air Technical Services Facility (NATSF) to North Island, CA, you appear to achieve most of your savings by eliminating 52 positions.

How is this more cost effective than keeping NATSF in Philadelphia and eliminating those same positions?

2. In 1993, the Base Closure Commission overturned your recommendation to close and relocate NATSF. In its report, the Commission “found compelling the potential cost savings and reduction in workload” of establishing a central DoD technical publications organization under the auspices of NATSF.

To what extent did the Navy work with other services to explore this possibility.

Why did the Navy choose not to recommend this idea in its 1995 BRAC recommendations?

Questions submitted for the record by Senators Sarbanes and Mikulski and Representatives Hoyer, Wynn, Morella and Gilchrest.

NSWC-WHITE OAK:

Q. DoD's justification for redirecting NAVSEA from White Oak to "...the Washington Navy Yard, Washington, D.C. or other government-owned property in the metropolitan Washington, D.C. area" cites reductions of personnel in administrative activities as the rationale for no longer needing the capability at the White Oak facility. Yet that same report indicates no reductions in civilian or military personnel from redirecting NAVSEA from White Oak to the Washington area sites. How do you explain this discrepancy?

Q. What specifically is the "other government-owned property in the metropolitan Washington, D.C. area?" Why weren't the Navy Yard and/or these other sites considered as a potential location for the NAVSEA move during the 1993 Base Closure and Realignment process? How many NAVSEA employees would be relocated to the Navy Yard and how many would be relocated to this unspecified other government-owned property?

Q. Will the recommended redirection of NAVSEA from White Oak to the Navy Yard or other government-owned sites require NAVSEA to remain in leased space in Crystal City longer than planned for the White Oak move?

Q. Please provide the estimated costs of moving NAVSEA to White Oak vs. moving to the Navy Yard and/or any other facilities under consideration including:

- 1) Costs of new construction or renovation
- 2) Renovation "swing space" requirements
- 3) Costs of any associated utility or water and sewer upgrades
- 5) Costs of any associated transportation infrastructure improvement
- 6) Sunk costs previously spent to move NAVSEA to White Oak
- 5) Costs of security and parking

Q. Have you value engineered the plans for the NAVSEA headquarters facility at White Oak to determine whether NAVSEA could be accommodated more efficiently or in a less costly manner?

Q. What is the cost of reconstructing the hyper-velocity windtunnel, the hydroballistics tank, the magnetic silencing facility or nuclear weapons effects facility located at White Oak? Were the costs of these facilities considered and assessed in the Department's decision to redirect NAVSEA from White Oak to the Navy Yard and other Washington area-government owned property?

Questions for Secretary of the Navy John Dalton submitted by Senators Sarbanes and Mikulski and Representatives Hoyer, Wynn, Morella and Gilchrest. Hearing before the Defense Base Closure and Realignment Commission, March 6, 1995.

Q.1. Part 1. NSWC-White Oak. In testimony before the BRAC Commission on March 1, the Chairman of the Joint Chiefs of Staff, John Shalikashvili, raised concerns about the proposed closure of the Naval Surface Weapons Center at White Oak, Maryland and specifically stated that "...the loss of the hypervelocity wind tunnel at that facility could eliminate a unique national capability, a capability that serves military research and development needs and that is used, as well, by other agencies, such as NASA." Since it is clear that the need to preserve this unique military capability was overlooked by DoD in recommending the closure of White Oak, isn't it possible that you might have also overlooked or failed to adequately assess the military value and costs associated with the other vital military capabilities at White Oak such as the the Reentry Systems capability, the nuclear weapons radiation effects simulator, the hydroballistics tank or the magnetic silencing facility?

Q.1. Part 2. The Base Closings and Realignment Commission of 1993, like General Shalikashvili and other senior military officials, recognized the value of these unique facilities. To ensure that these unique capabilities are maintained, the BRAC made a second decision -- to move NAVSEA from leased space in Crystal City, Virginia to underutilized government-owned facilities at White Oak. Since the military needs to maintain these unique capabilities, why would the Navy now recommend overturning the second part of the 1993 BRAC decision?

Q. 2. In 1993, the BRAC Commission unanimously reversed the Department of Defense's recommendation to disestablish NSWC-Annapolis based on the DOD's "overstated potential cost savings" and "a substantial deviation from criteria 4 and 5."

What has changed in the two years since to invoke the DOD to recommend a full closure of NSWC-Annapolis?

Questions submitted for the record by Senators Sarbanes and Mikulski and Representatives Hoyer, Wynn, Morella and Gilchrest.

NSWC-ANNAPOLIS

-- Which specific staff and facilities are proposed for relocation under the \$25 million one-time move cost estimate?

-- Which specific staff and facilities would be moved to Carderock? Which would be moved to Philadelphia, the Naval Research Lab or other locations??

-- What is the specific breakdown of the \$25 million one time cost for relocation?

-- Which of the Annapolis Detachment's capabilities and facilities would be eliminated entirely?

-- What is the Annapolis Detachment's specific excess capacity?

-- What is the specific breakdown of the Department of Defense's \$36.7 million savings estimate and \$14.5 million annual recurring savings estimate for closing NSWC - Annapolis?

Questions Received from Representative Stephen Horn (California, 38th District):

Proposed Questions for BRAC hearing 3/6, 345 Cannon: Navy witness

(1) The purpose of the base closure process is to reduce as much excess capacity as possible and to save the greatest amount of money. However, the recommended closure of the Long Beach Naval Shipyard closes the least amount of excess capacity, and does nothing to reduce capacity in the nuclear category, where the excess is greatest. Moreover, according to the COBRA data, closure of Long Beach would save less money over the next 20 years than, for example, Portsmouth. Why has the Navy targeted the one shipyard for closure whose closure would do the least in meeting the goals of the BRAC process?

(2) In 1991 and 1993, the Long Beach Naval Shipyard was the third highest ranked naval shipyard, behind only Puget Sound and Norfolk. Curiously, the Navy's new military value matrix now ranks Long Beach as below Pearl Harbor in military value and only slightly above the Portsmouth Naval Shipyard. Why has this ranking changed from the two previous base closure rounds?

(3) From an examination of the Navy's base closure deliberations minutes, it seems as if the Navy only really considered closing two shipyards -- Portsmouth or Long Beach -- and decided to not recommend Portsmouth for closure because of a desire to retain nuclear repair capability. Were other scenarios actively considered? For instance, was a closure option for Norfolk Naval Shipyard considered, and scenarios run? If not, why not? Was Pearl Harbor considered for closure, or considered for realignment along with Long Beach?





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

INTRODUCTORY REMARKS OF SENATOR DIXON

AFTERNOON HEARING

MARCH 6, 1995

WASHINGTON, DC

GOOD AFTERNOON, LADIES AND GENTLEMEN AND WELCOME.

THIS IS THE SECOND OF FOUR HEARINGS TODAY AND TOMORROW 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 SHEILA E. WIDNALL, THE SECRETARY OF THE AIR FORCE; GENERAL RONALD R. FOGLEMAN, THE CHIEF OF STAFF OF THE AIR FORCE; GENERAL THOMAS MOORMAN, THE VICE-CHIEF OF STAFF OF THE AIR FORCE; AND MAJOR GENERAL JAY D. BLUME, JR., THE SPECIAL ASSISTANT TO THE CHIEF FOR BASE REALIGNMENT AND TRANSITION.

BEFORE WE BEGIN WITH SECRETARY WIDNALL'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 WIDNALL, ARE THERE OTHER PERSONS HERE WITH YOU IN ADDITION TO THOSE AT THE TABLE WHOM YOU BELIEVE MIGHT BE REQUIRED TO GIVE ANSWERS TO THE COMMISSION THIS AFTERNOON? IF SO, COULD EVERYONE WHO MIGHT TESTIFY TODAY 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.

SECRETARY WIDNALL, YOU MAY BEGIN.



OPENING STATEMENT OF THE HONORABLE SHEILA E. WIDNALL
SECRETARY OF THE AIR FORCE
BEFORE THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
MARCH 6, 1995

I am pleased to have the opportunity to appear before the Defense Base Closure and Realignment Commission today to discuss the Air Force base closure and realignment recommendations. General Fogleman and I look forward to working with the Commission as it considers these recommendations over the next few months.

The Air Force recommendations include 12 base or activity closures, seven realignments and seven actions requesting redirects of prior Commission recommendations. The Air Force recommendations are the fourth installment of a plan to restructure our bases to support United States national security interests into the next century. Taken with the prior three rounds of BRAC, the withdrawal from overseas bases and other Air Force downsizing activities, these 1995 recommendations will result in a total reduction of our physical plant infrastructure by approximately 25%. This is close to our personnel and equipment reductions of approximately 30% each. To date, our total investment in base closure as a result of the four rounds is over \$5 billion.

As I noted, this is the fourth round of base closures and realignments. In the first three rounds -- in 1988, 1991 and 1993 -- the Air Force focused primarily on closing operational bases. In the first three rounds we closed or realigned 18 active duty large and small aircraft bases. This enabled us to achieve the early cost savings associated with such closures. In the first three rounds the Air Force closed or realigned only one industrial/technical support base. These support bases -- falling in the categories of labs,

product centers and logistic centers -- were necessarily the focus of a great deal of our efforts in this 1995 round.

Overarching Themes

Before I discuss the specific 1995 recommendations, and the process by which we arrived at them, I want to talk briefly about some general principles we applied, and some broad goals we attempted to achieve, as we worked through the very difficult task of downsizing our infrastructure.

First, and most obviously, as we approached this round, it was imperative that we reduce excess capacity in our physical plant infrastructure. This is never easy -- all Air Force bases are outstanding installations that stand as a credit to our Nation and the communities that surround them. However, we had to reduce unneeded capacity to save taxpayer dollars and to preserve our limited budget for such vital purposes as readiness and modernization.

In selecting bases for closure or realignment we sought to achieve a basing structure that would satisfy current and anticipated future operational requirements. These recommendations accomplish that vital goal. They also permit the Air Force to retain the important capabilities to surge in time of national crisis and to absorb units returning from closed or downsized overseas bases. These recommendations are consistent with the bottom up review conducted by both Secretary Aspin and Secretary Perry. The Air Force will not be left with inadequate infrastructure to meet our worldwide commitments.

The Air Force mission is defined not through an introspective vision but rather with a view of the Air Force as an integral part of a joint structure, making unique

contributions that assist all the military departments within the Department of Defense. Our recommendations were made with these supporting and complimentary roles in mind. The ability to supply rapid global mobility with airlift and tankers, for example, is critical to all operations within the Department of Defense. The Air Force recommendations had to create a basing structure that would fully support these missions requiring the Air Force to deploy substantial forces and sustain those forces in parts of the world where adequate infrastructure may not be available.

The Air Force has placed critical emphasis on airspace needed to train and maintain combat readiness. Airspace, military training routes and military operating areas must be used or lost. The Air Force cannot and will not sacrifice a resource that is the cornerstone of creating a realistic training environment. Realistic training saves lives in combat and provides the winning margin. Our recommendations reflect this absolute requirement and the need to beddown force structure in a manner that permits an operations tempo sufficient to achieve training and mission objectives.

Last, but certainly not least, it was imperative that we approach the task of downsizing our infrastructure in a financially responsible manner. We had to design recommendations that we can in fact afford to implement within our budget, that will achieve real cost savings, and that will provide solid returns on our investment. These recommendations are fiscally responsible and thereby further protect the Air Force of the future.

Selection Process and Recommendations

Let me now turn to the process by which the Air Force arrived at its recommendations. This selection process was similar to the one used in each of the 1991 and 1993 BRAC rounds. Consistent with base closure law, bases were selected through

this process for closure or realignment based on the 1995 DOD Force Structure Plan and the eight selection criteria.

In January 1994, I appointed a Base Closure Executive Group (BCEG) of general officer and civilian equivalents to review all installations in the United States that met or exceeded the legal requirements for consideration as closure or realignment candidates. Data was collected from the installations and commands, and validated by the major commands and the Air Staff. The AF Audit Agency continually reviewed the process to insure accuracy.

The BCEG placed all bases in categories based on primary mission. Capacity was analyzed by category, based on current base capacity and the Force Structure Plan. Categories having insufficient excess capacity were excluded from further study. Bases deemed militarily or geographically unique or mission essential were also excluded from further consideration. All non-excluded active component bases in the remaining categories were individually examined on the basis of the eight selection criteria. The Air Force Reserve Component was examined for cost effective relocations. These bases have special recruiting needs and relationships to their respective states that do not allow them to compete directly against each other in the same manner as the active force bases.

The BCEG presented to me and the Air Force Chief of Staff, the base groupings, excess capacity data, detailed base evaluations, and options resulting from the BCEG and JCSG analyses. We met on at least 20 occasions. Based on the information presented, the Force Structure Plan and the eight selection criteria, with consideration given to excess capacity, efficiencies in base utilization, and necessary concepts of force structure organization and basing, and in consultation with the Chief of Staff, I selected the Air Force bases to be recommended to the Secretary of Defense for closure and realignment.

Throughout this process, the Air Force worked extensively with the Joint Cross Service Groups (JCSG). The Air Force collected data as requested by the JCSGs. The Air Force analyzed and considered alternatives developed by the JCSGs. The Air Force responded with comments and cost analyses, and engaged in a dialogue with the JCSGs. The Laboratory JCSG recommended the Air Force consider the closure of Rome Laboratory. The Air Force adopted this proposal and recommended the activities at Rome Laboratory be relocated to Fort Monmouth, New Jersey and Hanscom AFB, Massachusetts. The movement to Fort Monmouth will increase inter-service cooperation and common C³ research. Fort Monmouth's location near unique civilian research facilities also offers potential for shared private sector research activities.

The Air Force recommendation regarding the Industrial/Technical Support Depot Category is worthy of special comment.

A capacity analysis of this category revealed excess capacity across the five Air Force depots. Detailed analysis, however, revealed that the cost to close one or two depots would be effectively prohibitive. Including environmental costs, which as you know must become part of our budget planning, we estimate it would cost in the range of \$800 million each to close the depots. Put another way, the full cost to close a single depot would consume most of the total amount budgeted for the next six years for all Air Force 1995 closures and realignments.

We also learned that even if sufficient funds could be made available for a full depot closure, the return in future Air Force Total Obligation Authority (TOA) savings would be much smaller than what we could achieve in other types of base closure. As I suggested earlier, an essential goal in the Air Force base closure analysis was to ensure

that each base we proposed for closure would make clear, economic sense, and that future budget savings would exceed budget costs. Undertaking large, unbudgeted efforts, would clearly jeopardize future recapitalization and modernization of Air Force programs. We simply had to find a better way to get this job done and we did.

The recommendation before you reflects an alternative to full closure -- an alternative that will decrease excess capacity in a way that makes operational sense and that will achieve savings at a realistic cost. The recommendation to realign the Air Logistics Centers and consolidate workload at receiver locations will transfer approximately 3.5 million direct labor hours and eliminate 37 product lines across the five depots. The total one time cost to implement is \$183 million. With annual savings of \$89 million, the return on investment is expected to be achieved within two years. This recommendation is fiscally sensible and does not place at risk Air Force dollars needed for readiness, modernization and quality of life for Air Force personnel.

While the Air Force BRAC depot recommendations are significant standing alone, they are also part of a broader Air Force effort to downsize and achieve real cost savings in a financially sound manner within the depot structure. Programmed work reductions, downsizing through contracting or transfer to other Service depots, and the recommended BRAC consolidations will achieve a total real property infrastructure reduction equal to 1.5 depots. This overall effort will also achieve a manpower capacity reduction equivalent to nearly two depots. The BRAC recommendations must be recognized as only a portion of this overall strategy.

Finally, the Air Force BRAC depot recommendations have inter-departmental components. The recommendations provide for the Air Force to make available to the Defense Logistics Agency over 25 million cubic feet of space for storage and other

purposes, thereby allowing another Department to achieve substantial consolidations and savings. The Air Force will also make depot space available for a portion of the Defense Nuclear Agency mission, as well as realigned non-depot Air Force missions. The sum total of this strategy creates cost savings not only to the Air Force, but to other organizations with the Department of Defense. Again, it does so in a manner that optimizes Air Force dollars invested in the BRAC process.

Anticipated Costs and Savings and Implementation Schedule

You have asked that I comment briefly on anticipated costs and savings associated with our 1995 recommendations and our tentative implementation schedule. Obviously these numbers and dates reflect our best estimates at this time. We will continue to refine this data in cooperation with the major commands and then look forward to sharing the results with the Commission.

The 1995 recommendations will result in great savings for the Air Force. Considering only traditional BRAC related numbers, we estimate a total net savings of approximately \$113 million during the implementation years, and savings of \$363 million in each year thereafter. When we also consider savings associated with our related actions not traditionally included in BRAC calculations, the numbers are even greater. The closure of a missile group, program actions, and the efficiencies and downsizing at our Air Logistic Centers bring our projected savings over twenty years to over six billion dollars, expressed as a present value.

The Air Force achieved this stream of savings by paying attention not only to the savings from potential actions, but the costs as well. For example, the high costs of total base closures were avoided not only with the innovative approach to depot downsizing, but also by maximizing realignment opportunities, such as at Kirtland Air Force Base,

New Mexico. That action preserves important mission elements but avoids costly support activities associated with a military population. The smaller actions on our list also add up to larger savings. These include test functions, as well as our Air Reserve Component actions. Finally, we faced up to some costly actions that resulted from previous rounds, and found smarter ways to achieve the same mission support, such as with our recommended redirect associated with the Fort Drum airfield support arrangement.

The Air Force has begun to develop an implementation schedule for these 1995 recommendations. We will work closely with the major commands and the Air Reserve Component further to develop and refine this schedule.

In prior rounds, the Air Force established an excellent record of closing bases as quickly as possible. This aggressive approach provides the quickest savings to the Air Force and assists the local communities in their efforts to develop the closure and implementation plan necessary to begin economic revitalization.

The presence of a number of support installations in this year's recommendations may increase to some degree the time needed to implement closure and realignment actions. Research projects and unique test or research facilities may require longer lead times to relocate without mission impact. The Air Force will insure that all efforts are undertaken to maximize savings at these installations and to work closely with the local communities to facilitate a prompt transition and the best reuse opportunities.

* * * *

We have brought to you the base structure that is needed to support the Air Force mission; we have looked to the future for that mission and to the future for our infrastructure requirements. This is the final of four closure rounds that restructures the Air Force of the future; an Air Force that is and will be capable of responding to any challenge, in any theatre, at anytime.



BASE REALIGNMENT AND CLOSURE GENERAL RONALD R. FOGLEMAN

DATE: 6 Mar 95, 1330

LOCATION: Cannon Building, Capitol Hill

AUDIENCE: Base Realignment and Closure Commission

Mr. Chairman, members of the Commission -- it's an honor to represent our Air Force this afternoon. I look forward to working with this Commission as you consider the recommendations forwarded to you from the Secretary of Defense.

I will tell you up-front that recommending the closures and realignments was not an easy decision.

- **These bases are outstanding installations.**
- **Having been a commander at virtually every organizational level within the DOD, I appreciate the close relations that have been formed over the years in these communities.**
- **So, I realize that these actions will affect good people who have done so much for Air Force men and women in the past.**

But, this being the case, I will also tell you that we must take these actions. By reducing our infrastructure, we are better positioning the Air Force to meet the nation's needs in the long run.

And, these recommendations do not harm the Air Force's readiness -- today or tomorrow.

- **We will have sufficient airspace, training routes, and ranges to train and to maintain critical combat skills.**
- **The remaining bases and infrastructure allow us to support the current security strategy, as outlined by Secretary Perry and Chairman Shalikashvili last week.**
- **And, the remaining CONUS infrastructure permits a hedge against future requirements, if we should need to return overseas facilities to host nations and bring additional forces home.**

So, these proposals will position us well for the future. And, as we look ahead to the 21st Century, let me share with you my thoughts about how we might approach the possibility of future closure and realignment actions.

- **First, we may need a “sunset clause” on current force structure actions directed by this and previous BRACs.**

- **So, if future force structure reductions occur, we may need to re-examine our basing.**

- **Second, the services should be allowed future realignments as required for operational requirements. As a service chief, I value the freedom to make prudent moves after proper consultation with Congress.**

- **Third, having said this, I will also tell you that in my view, we need to put a hold on any new BRAC actions for the next 5 to 7 years. This will provide some much needed stability for our people and the communities supporting our installations.**

- **If future force structure reductions occur, we may need to re-examine our basing. If that happens, I think that any future BRAC actions should be initiated by the SECDEF.**

- **We are prepared to discuss these in detail or provide you inputs at an appropriate point during your deliberations.**

With this as an overview, I am prepared to answer any questions you may have. I think it is important that you know that based on a ruling by the General Counsel, I recused myself from considering small aircraft bases and laboratories.



Air Force BRAC Financial Considerations 95 Commission



Major Air Force Installation Closures and Realignment

<u>BRAC</u>	<u>Aircraft</u>	<u>Training</u>	<u>Support</u>		<u>Total</u>
			<u>Depot</u>	<u>Other</u>	
88-91-93	23	4	1	0	28
95	<u>10</u>	<u>1</u>	<u>5</u>	<u>3</u>	<u>19</u>
Total	33	5	6	3	47



BRAC Savings Reported

“For domestic facilities, much progress was made through the base realignment and closure (BRAC) process in 1988, 1991, 1993. These three BRAC rounds approved the closure of 70 major bases and are projected to save \$6.6 billion during their overlapping 6-year implementation periods (FY 1990-99).”

DOD News Release, FY 96-97 Defense Budget

Feb 6 1995, p. 8

BRAC Savings		
FY 96 - FY 99 (\$ Billions)		
Air Force	4.7	71%
All Other	1.9	29%
	6.6	100%



1995 Air Force BRAC Dollars (Millions)

	<u>Costs FY 96 -01</u>	<u>Savings FY 96-01</u>	<u>Savings FY 96-15</u>	<u>Percent Return Per Year</u>
COBRA Constant \$	1,047	1,092	6,178	9.28%
Environmental	450			
Inflation	<u>98</u>	<u>120</u>	<u>2,438</u>	
Total Current \$	1,595	1,212	8,616	8.80%
Budget Current \$	<u>1,048</u>	<u>868</u>	N/A	
Delta	-547	+344		



Current Dollars (Millions) Includes Environmental

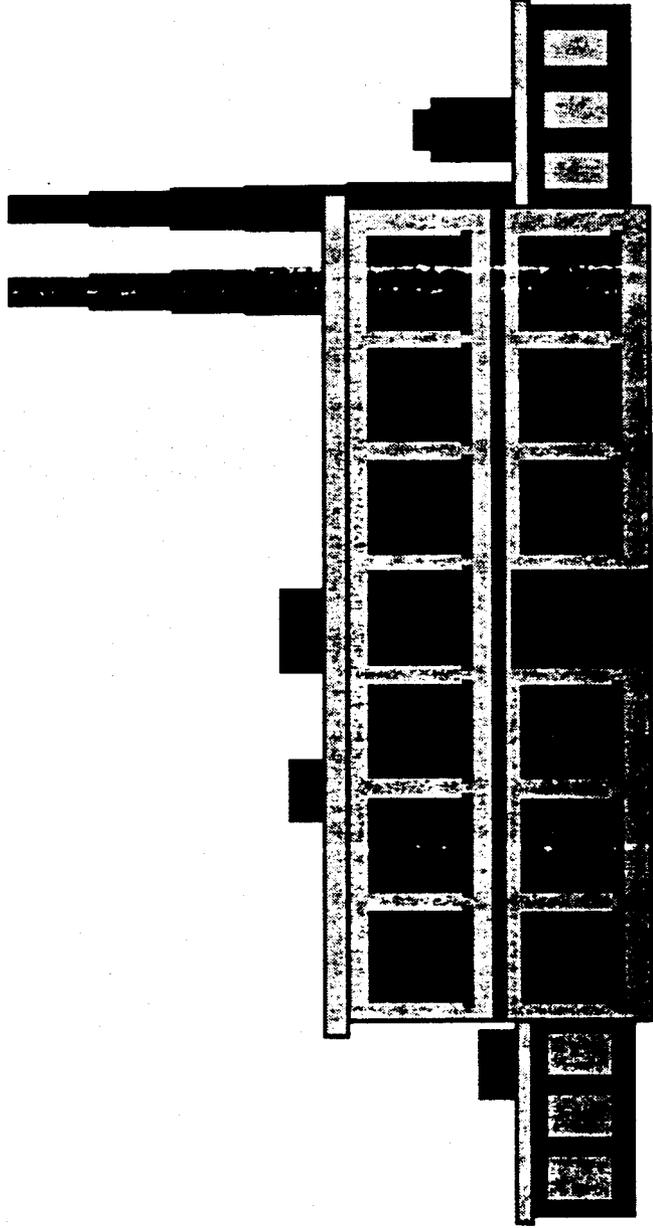
Depot Options	Costs FY 96-01	Savings FY 96-01	Savings FY 96-15	Percent Return Per Year
2 Depots	1,853	149	3361	3.02%
1 Depot	894	74	1824	3.63%
Realign 5	188	342	2155	12.97%

BRAC Budget	1,048	868	--	--
-------------	-------	-----	----	----

No Depot Action	1,407	870	6,461	7.92%
Realign 5	<u>+188</u>	<u>+342</u>	<u>+2,155</u>	<u>12.97%</u>
Submission	1,595	1,212	8,616	8.80%



Depot Maintenance Downsizing





Downsizing Infrastructure

- **Force Structure Alignments**
 - **“Squeeze Down”**
 - **Demolitions**
- **Downsize to CORE**
- **Commodity & Process Consolidations**
 - **Review Commodities/Process**
 - **Consolidate at Minimum Locations**
 - **Eliminate Excess Equipment/Capacity**
 - **Streamline Industrial Layouts**



Commodity and Process Consolidations

Commodity/Process	OC	OO	SA	SM	WR
Composites/Plastics	X	X	X	O	X
Engine Related	O		O		
Hydraulics	X	X	X	O	X
ATE Software	O	O	X	X	O
Sheetmetal Repair	X	O	X	X	O
Instrument Repair	X	X		O	O
Abn Electronics	O	O		X	O
Metal Mfg	O	O	X	X	O
Paint/Depaint	O	O	O	O	O

O = Workload Consolidation Site

X = Declining Workload Site



COBRA Costs for Downsizing Initiatives

	1-Time Cost (\$M)	20 Yr NPV (\$M)	Steady State (\$M)	ROI (Yrs)	Pers Savings ¹
Consolidations ²	183	(991)	89	2	1911
F-111 Phase out ³	13	(689)	54	---	1127
Other Reductions ³	22	(1186)	93	---	1950
Total Downsizing	218	(2866)	235	---	4988

¹ Includes reduction in Base Operating Support (BOS) personnel

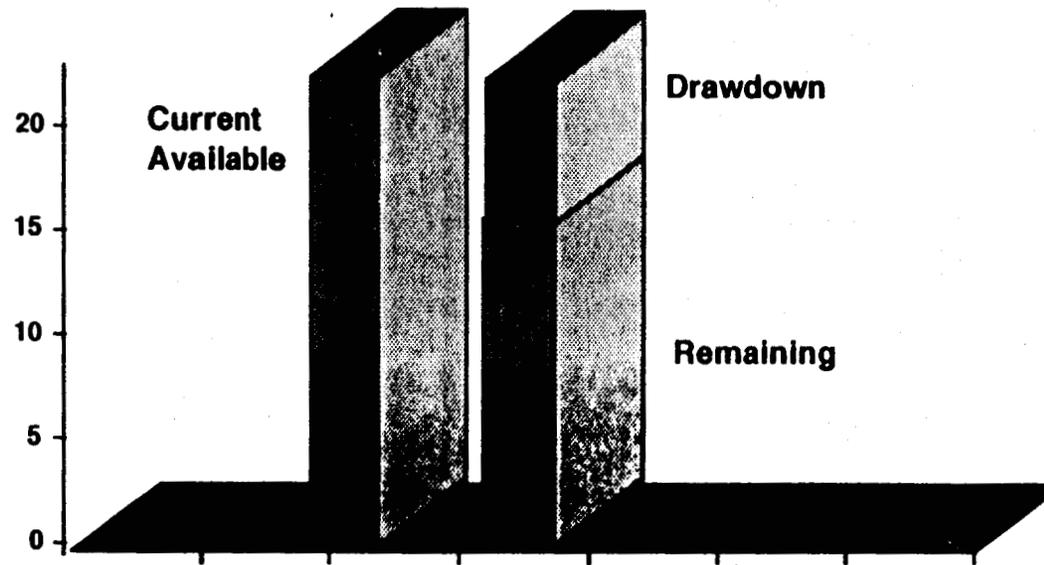
² BRAC portion of reduction

³ Reflects costs/savings associated with personnel reductions only



Infrastructure

Millions of Square Feet

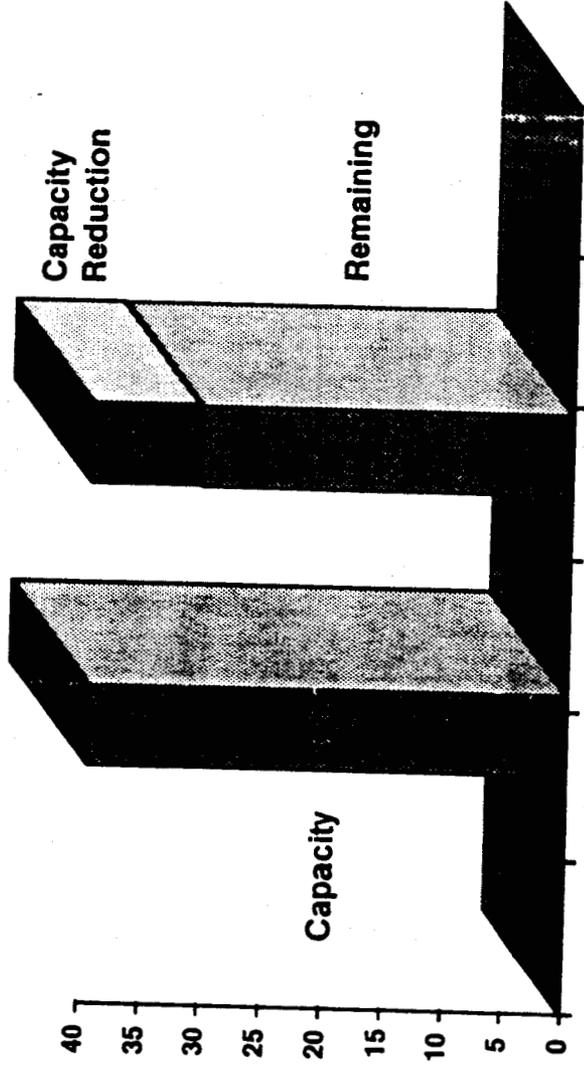


**Potential Downsizing of 1.5 Depot Equivalents Infrastructure
Makes Available Over 1.9 Million Sq Ft for DLA**



Capacity

Millions of Direct Labor Hours

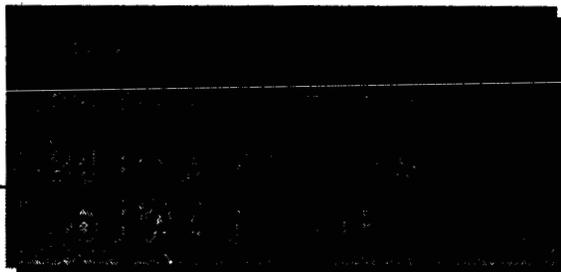


Potential Downsizing of Over 1 Depot Equivalent

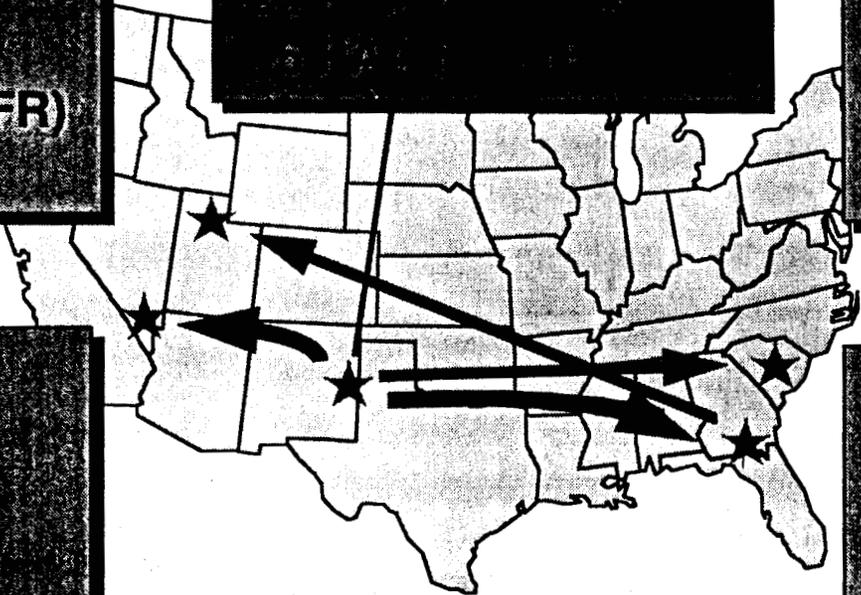


Small Aircraft -- Active Component Cannon Single Closure Consideration

Hill AFB
336 PAA F-16 (B40)
Total
90 PAA F-16 (B40)
15 PAA F-16 (B30 AFR)
6 Squadrons



Shaw AFB
48 PAA F-16 (B50)
Total
72 PAA F-16 (B50)
24 PAA A/OA-10
5 Squadrons



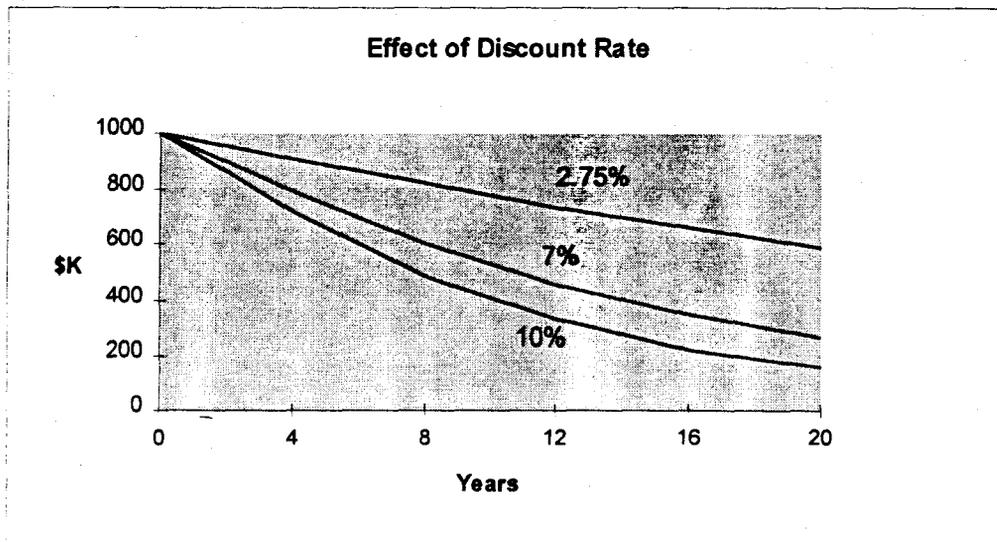
Nellis AFB
24 PAA EF-111A
6 PAA F-111E
Total
24 PAA EF-111
6 PAA (TF) F-111E
2 Squadrons
Air Weapons Wing (95 PAA)

Moody AFB
36 PAA F-16 (B30)
36 PAA F-16 (B40)
Total
36 PAA F-16 (B30)
24 PAA A/OA-10
8 PAA C-130E
4 Squadrons

Net Present Value

Net Present Value (NPV) is the present worth or discounted rate of money at some future point in time.

Because the Government borrows money with Treasury Bills and pays interest on those T-Bills, money devalues over time. For instance, if I stuffed my mattress with a million dollars, in twenty years, that million dollars would only be worth \$267,000 at a 7% discount rate. However, if the discount rate for twenty years was 2.75%, then the million dollars would still be worth \$589,000...over twice as much! In the 1991 BRAC round, the Department of Defense (DoD) used a 10% discount rate. In the 1993 BRAC round, the discount rate was 7%. For this year's round, the discount rate is 2.75%. The following chart shows the effect of various discount rates on a million dollars over a twenty year period.

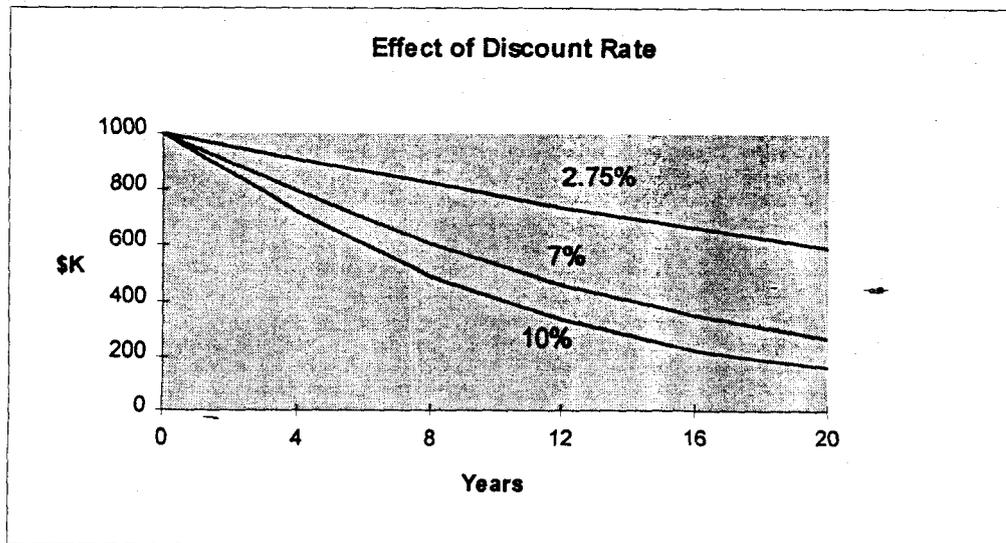


As you can see, the difference in a 10%, 7% and 2.75% discount rate is substantial over a twenty year period. Because DoD is using a 2.75% discount rate while the current 30 year Treasury Bond is selling at 7.44%, the savings shown by DoD might be optimistic. In other words, the \$18.4 B Net Present Value savings shown for this round would be less than \$9 B if the current borrowing rate of money was used for the discount rate. DoD used the 2.75% discount rate based on the 1994 Office of Management and Budget Circular A-94.

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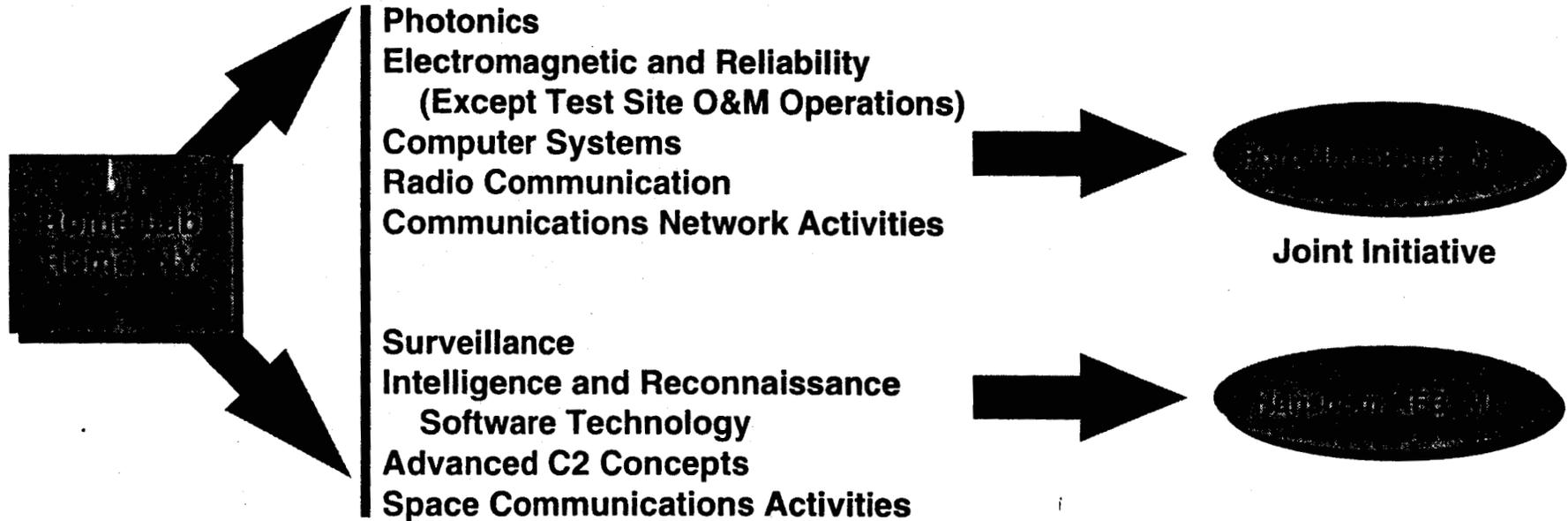


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Rome Lab Closure

Research Activities





GENERAL

1. Secretary Widnall, did the Office of 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 Widnall, did the Office of 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, would you please elaborate on the specifics?

3. Secretary Widnall, did anyone in the administration instruct you 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 Widnall, will the Air Force have excess capacity in any major categories or installation groupings if the Secretary of Defense recommendations are accepted by this Commission? Please elaborate.

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

6. Secretary Widnall, 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 Widnall, have you provided to the commission all of the information that you used your decision-making process? If not, would you please provide it within the next five days?

8. Secretary Widnall, some communities have expressed concern about inconsistent levels of cooperation from local base commanders in preparing their rebuttals to DoD proposals.

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

9. Secretary Widnall, which of your recommendations are a direct result of the alternatives presented by the joint cross-service groups?

Please explain the use of information by joint cross-service groups?

How were joint cross-services issues addressed differently this round by the Air Force as compared to the 1993 round? Please elaborate.

10. Secretary Widnall, in earlier testimony Dr. Perry, General Shalikashvili and Secretary Deutch expressed the desirability of cross servicing in depots, laboratories, and test and evaluation facilities to reduce infrastructure .

Do you believe that cross servicing is in the best interests of the Air Force?

Why has the Air Force done so little in cross servicing?

Are any of your recommendations a result of interservicing? Please elaborate.

DEPOTS

1. Secretary Widnall, Deputy Secretary Deutch presented an Air Force Depot Proposal chart at his February 28th press conference which suggests, at least in the case of the Air Force, it is more cost effective to consolidate or downsize depots than it is to close them. According to that chart, consolidation as opposed to two depot closure, will reduce one-time costs by \$924 million, while increasing the net present value by another \$292 million.

Please explain how the consolidation option, which retains 18 million more square feet and 763 more people than the closure option, can produce these savings?

2. Secretary Widnall, the Air Force has had five major Air Logistics Centers since the Vietnam Era. In the 1993 round, the Air Force recommended the closure of one of these five depots, but that depot was removed from the list by the Secretary of Defense. This year with the same selection criteria and a smaller force structure plan there is once again no Air Force depot on the list. The **CHART** titled "Air Force Program Trends" reflects reductions in fighter wing equivalents, assigned aircraft, major bases and personnel end-strengths over the last ten years.

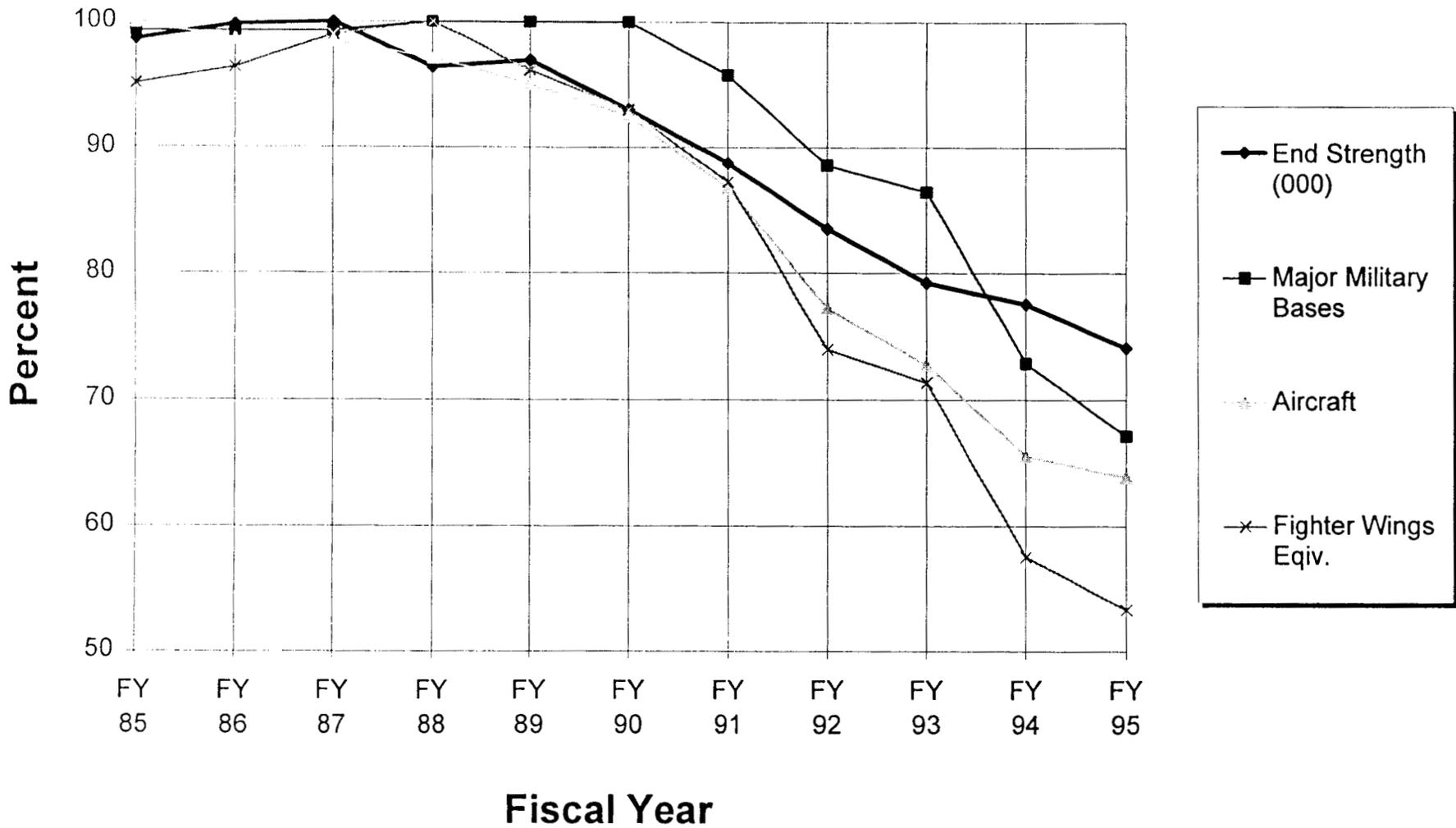
On what basis did you determine that the Air Force continues to need five Air Logistics Centers?

On what basis did you determine that realigning the workload at the five depots was preferable to closing one or more of these depots?

Did anyone outside the Air Force ask, suggest, or direct the Air Force to avoid closing any particular air logistics center?

3. Secretary Widnall, during the DoD hearing last week, Secretary Perry presented this **CHART** which compared the costs and savings of down-sizing and retaining all five Air Logistics Centers to the costs and savings of closing two of

Air Force Program Trends



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Air Force Depot Proposal



Cost Implications (\$ Millions)

Consolidate at All Depots	FY96-01 Net		Total Savings*
	One-Time Costs	Costs (Savings)	
BRAC ACTIONS	183	(139)	991
NON-BRAC ACTIONS	35	(488)	1,875
ALL ACTIONS	218	(627)	2,866
Alternative - Close 2 Depots (+\$600 Million Env)	1,107	(363)	699

* Savings in 20 year net present value

these centers. Nearly two-thirds of the savings under the "downsizing" alternative came from "non-BRAC actions."

What are these "non-BRAC actions" and why are they included in this analysis?

Would these "non-BRAC" actions be realized even if one or two Air Logistics Centers were closed?

What are the total savings that these "non BRAC actions" would provide if the Air Force closes one or two Air Logistics Centers?

How would the alternatives compare if you remove the "non-BRAC actions" from the downsizing alternative and then compare that alternative to closing only the one air logistics center that provides the greatest savings?

4. Secretary Widnall, this **CHART** also shows that the one time cost to close Air Logistics Centers at San Antonio and Sacramento, are approximately \$1.1 billion. Cost of Base Realignment Actions analysis in support of these recommendations reflect that the estimate includes about \$249 million in construction costs, \$330 million in personnel moving costs, and approximately \$257 million in "unique" one time costs.

Please explain in as much detail as possible why the Air Force would need to spend \$249 million for construction, when excess capacity already exists at all Air Logistics Centers.

The \$330 million cost estimate to accommodate personnel movements would apparently move almost 19,000 civilian and 6600 military personnel.

Considering that the five Air Logistics Centers will employ only 27,000 civilians, is it really necessary to relocate 19,000 (67%) civilians to accommodate two aviation logistics center closures?

Why is the cost of moving 6600 military personnel included as a cost to close the Air Logistics Centers when nearly all depot personnel are civilian employees?

Air Force Depot Proposal



Cost Implications (\$ Millions)

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

* Savings in 20 year net present value

Please explain in as much detail as possible, what is meant by "one time unique closing costs?"

5. Secretary Widnall, in your opening statement you indicated the cost to close a depot is \$800 million including costs for environmental restoration.

Were these restoration costs a factor in the Air Force's decision not to close depots? If so, could you explain why?

6. Secretary Widnall, your alternative to downsizing was the closure of two depots. Did you examine the alternative to close one depot?

7. Secretary Widnall, in testimony last week, Mr. Gotbaum indicated that the Depot Joint Cross-Service Group calculated capacity of depots based on a 40-hour work week, or just one shift per activity. This is a very conservative way of measuring capacity since people work more than one shift in times of crisis. Using only one shift, how much excess capacity does the Air Force have?

If you use one-and-one-half or two shifts, how much excess capacity does the Air Force have?

8. Secretary Widnall, in 1993, the Air Force recommended closing McClellan Air Force Base. This base is not recommended in 1995. In fact, McClellan Air Force Base gains additional personnel in the Air Force's proposal of closures and realignments.

Would you explain why?

9. Secretary Widnall, according to Defense Logistics Agency approximately 28,000 civilian employees are presently employed at the Air Force's five Air Logistics Centers -- this is an average of 5,600 civilians per center. The Air Force proposes to retain all five of its Air Logistics Centers, but says it will achieve savings that "are comparable to closing two Air Logistics Centers" by

consolidating functions and downsizing in place. But the Air Force's plan achieves a net reduction of only 1850 civilian personnel at all five centers, compared to a reduction of approximately 11,000 civilian personnel that would result from closing two depots.

How can the Air Force claim that its downsizing plan is "comparable to closing two Air Logistics Centers" when closing two centers would have eliminated six times as many civilian personnel positions?

10. Secretary Widnall, part of the rationale provided by the Air Force for downsizing rather than closing one or more Air Logistics Centers is that 25 million cubic feet of storage space can be "made available" to Defense Logistics Agency under the Air Force plan. In a February 14, 1995 letter to Major General Klugh, the Deputy Under Secretary of Defense for Logistics, Admiral Straw indicated that since Defense Logistics Agency is also in the process of downsizing,, "offers of space to Defense Logistics Agency should carry no weight in the determination of whether a depot/base remains open."

What agreement does the Air Force have with Defense Logistics Agency regarding the use of the 25 million cubic feet of unused space that would be available if all five Air Logistics Centers are retained?

11. Secretary Widnall, in June of 1993 the Secretary of Defense and the Chairman of the Joint Chiefs of Staff asked the Commission not to address fixed wing aviation depots separately from other interservicing issues. They asked instead for the opportunity to come forward with comprehensive interservicing recommendations in 1995.

12. Secretary Widnall, the Joint Cross-Service Review Team at DoD for Depot Maintenance analyzed and evaluated four sets of capacity figures. First, they looked at current available capacity and found that the five Air Logistic Centers could produce almost 38 million direct labor hours using a split-shift, 8 hour-per-day schedule. Yet, if all unoccupied and currently unused infrastructure were considered, the five Air Logistics Centers could produce almost 58 million direct labor hours under a single shift 8 hour-per-day schedule.

In your view, are the maximum available capacity numbers valid, and could they be used to assign additional workload?

13. Secretary Widnall, in May 1994, the Deputy Secretary of Defense stated, “. . . depot maintenance capabilities will comprise only the *minimum facilities, equipment and skill personnel necessary* to ensure a ready and controlled source of required competence.” (emphasis added)

Will the Air Force base closure list result in the minimum number of facilities to ensure readiness and sustainability?

14. Secretary Widnall, at one time, Hill Air Logistics Center performed maintenance support for the Navy's F-18.

In your view, what are the strengths and weaknesses of this interservicing effort?

Why did the Navy discontinue Air Force support of the F-18?

Are you satisfied, that your recommendations in the area of fixed wing aviation depots represent a comprehensive approach to the problems of interservicing and excess capacity in this area?

PRODUCT CENTERS AND LABORATORIES

1. Secretary Widnall, a February 13, 1995 memo to the Assistant Secretary of Defense for Economic Security on behalf of the Director of Defense Research and Engineering states, "The laboratories retain significant duplication and excess capacity. . . ." To offset capacity and duplication, the Joint Cross-Service Group recommended the consolidation of Command, Control, Communications and Intelligence research and development at Fort Monmouth, New Jersey; consolidation of explosives at Picatinny Arsenal, New Jersey; and consolidation of research and development of propellants at China Lake, California.

Why did the Air Force reject all of these alternatives?

This memo also stated, ". . . the Military Departments, by and large, have been unwilling to collocate, let alone rely on each other. They continue to defend fiercely their independent pursuit of similar product lines." The memo concludes that "only a heavier handed instrument" will result in meaningful interservicing actions.

Do you agree with this assessment?

2. Secretary Widnall, an April 1994 Defense Science Board (DSB) report states that the Defense Laboratory System is an "obsolescent artifact of the Cold War that has not kept pace with the shrinking military force structure and changing patterns of technology advancement generation."

The DSB recommended a 20 percent cut in the laboratories' Civil Service personnel, in addition to the 4 percent per annum cut directed by Defense Policy Guidance 1995-99. These cuts will result in a 35 percent reduction by the end of the century.

Have you recommended base closures or realignments as a result of these personnel reductions?

3. Secretary Widnall, the Air Force has recommended that the Rome Laboratory close even though it is categorized in Tier I, the highest grouping, as indicated by this **CHART**.

Why was Rome Laboratory recommended for closure when it is in Tier I?

What consideration was given to absorbing workload and eliminating excess capacity at Army and Navy laboratories as an alternative to closing Brooks?

What alternatives other than relocation to Wright-Patterson Air Force Base were considered?

4. Secretary Widnall, in 1993, the Commission requested that the Air Force comment on the community concern that in realigning Griffiss Air Force Base at that time, the Air Force appeared to be positioning itself to close Rome Laboratory in the near future. The Air Force responded by saying: "The Air Force has no plans to close or relocate Rome Laboratory within the next five years." Since then the Rome, New York community has made plans to reuse Griffiss Air Force Base centered on the fact that Rome Laboratory was to stay in place. The Air Force now recommends to close the Rome Laboratory.

Could you please comment on the why the Air Force has changed its mind on the status of Rome Laboratory in less than two years?

5. Secretary Widnall, in accordance with the Air Force analysis, one of the important attributes for the evaluation of depots is "access to technically oriented labor pool." Likewise, one of the attributes for Product Centers and Laboratories is "population of highly skilled personnel." Could you please elaborate how the Air Force compared the different installations in regard to these attributes?

6. Secretary Widnall, the 1991 Defense Base Closure and Realignment Commission recommended that the Armstrong Laboratory Aircrew Training Research Facility at Williams Air Force Base, Arizona, be relocated to Orlando, Florida. In the current round of base closures and realignments, you

INDUSTRIAL/TECHNICAL SUPPORT - PRODUCT CENTERS and LABORATORIES Subcategory

TIERING OF BASES

As an intermediate step in the Air Force Process, the BCEG members established the following tiering of bases based on the relative merit of bases within the subcategory as measured using the eight selection criteria. Tier I represents the highest relative merit,

TIER I

Hanscom AFB

Rome Lab

Wright-Patterson AFB

TIER II

Kirtland AFB

Los Angeles AFB

TIER III

Brooks AFB

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recommended that the Laboratory remain at its present location in Mesa, Arizona, as a stand-alone activity. The Air Force's justification states, in part, that "the activities are consistent with the community's plans for redevelopment of the Williams Air Force Base property, including a university and research park."

The Defense Base Closure and Realignment Act of 1990 states that "In considering military installations for closure or realignment, the Secretary may not take into account for any purpose any advance conversion planning undertaken by an affected community with respect to the anticipated closure or realignment of an installation" (Title XXIX, Part A, Sec. 2903, paragraph (c)(3)(B)).

Why was facility reuse planning used as a consideration factor for this recommendation?

7. Secretary Widnall, in recommending closure of Brooks Air Force Base, the Human Systems Center, including the School of Aerospace Medicine and Armstrong Laboratory, is recommended to relocate to Wright-Paterson Air Force Base. Part of the justification for your recommendation is that the Air Force has more laboratory capacity than necessary to support current and future Air Force requirements.

What consideration was given to absorbing workload and eliminating excess capacity at Army and Navy laboratories as an alternative to closing Brooks?

What alternatives other than relocation to Wright-Paterson Air Force Base were considered?

8. Secretary Widnall, your recommendation to close Brooks Air Force Base, Texas involved closing all activities and facilities, including family housing. We understand that there is a large waiting list for family housing at nearby Lackland Air Force Base.

Why did your recommendation not include the retention of family housing at Brooks to help satisfy Air Force family housing requirements in the San Antonio metropolitan area?

9. Secretary Widnall, we recently received a copy of a memorandum dated February 15, 1995, from the Deputy Assistant Secretary of the Army (Installations and Housing) to the Principal Deputy Assistant Secretary of the Air Force (Installations) expressing interest in the U.S. Army Reserve Command acquiring approximately 57 acres and 13 permanent buildings at Brooks AFB--should it become available from the Air Force. Transfer of this Air Force property would allow the Army Reserve to (1) eliminate a costly lease, (2) reduce the need for newly programmed military construction, and (3) provide facilities necessary to enhance unit readiness at a significant savings to the Department of Defense. According to Army officials, the Army Reserve would be able to cancel a lease with an annual cost saving of \$218,655 and a fiscal year 1999 military construction project with an estimated cost saving of \$11.4 million.

Was this request discussed and resolved during deliberations by either the BRAC 95 Steering Group or BRAC 95 Review Group, which were established to consider such inter-service needs? If not, why not?

10. Secretary Widnall, an alternative was received by the Laboratory Joint Cross-Service Group for to consolidate the lab at Brooks Air Force Base to a Naval installation in Orlando, Florida. Instead, the Air Force chose to relocate the lab to Wright-Patterson Air Force Base.

What was the Air Force's rationale for this action?

Why did the Air Force reject the alternative submitted by the Joint Cross-Service Group?

KIRTLAND

1. Secretary Widnall, regarding the realignment recommendation for Kirtland Air Force Base, were all of the base tenants contacted in a timely manner and asked to provide information about how the realignment and subsequent economic impact would affect them?

2. Secretary Widnall, the Air Force has recommended realignments to Kirtland Air Force Base. The Deputy Secretary of Defense has testified that the Air Force coordinate this action with the Department of Energy. What concerns does the Department of Energy have with realignment of Kirtland? How does the Air Force respond to DOE's concerns?

3. General Fogleman, the Air Force has recommended realigning Kirtland Air Force Base. As part of this recommendation, the 58th Special Operations Wing (SOW) will relocate to Holloman Air Force Base.

How was this move coordinated with United States Special Operations Command (USSOCOM)?

How does this move effect the operational requirements of 58th SOW?

What guidance or direction from outside the Department of the Air Force, if any, was received to move this unit to Holloman Air Force Base?

What consideration, if any, was given to move this unit to the West Coast?

4. Secretary Widnall, in recommending Kirtland Air Force Base for realignment, the Air Force is proposing to move some of the Defense Nuclear Agency activities to Kelly Air Force Base and Nellis Air Force Base.

How was this action coordinated with Defense Nuclear Agency? Please elaborate?

TEST AND EVALUATION

1. General Fogleman, several studies have pointed out that great opportunities for reduction in the test and evaluation infrastructure exist in testing of high performance aircraft, test support aircraft and electronic warfare testing. Do you believe the Air Force and Navy should combine activities such as Patuxent River Naval Air Test Center with China Lake Naval Weapons Center and Edwards Air Force Base?

2. Secretary Widnall, regarding the test and evaluation realignment recommendation that would relocate electronic warfare capability from Eglin Air Force Base to Nellis Air Force Base, why didn't the Air Force accept an alternate proposal by the Test and Evaluation Joint Cross Service Group that would have transferred certain Eglin missions to China Lake Naval Weapons Center?

3. Secretary Widnall, regarding the realignment recommendation that would relocate electronic warfare capability from Eglin Air Force Base to Nellis Air Force Base, did the Air Force consider an alternate proposal by the Test and Evaluation Joint Cross Service Group that would have transferred certain Eglin missions to China Lake Naval Weapons Center?

UNDERGRADUATE PILOT TRAINING

1. Secretary Widnall, DoD and the Services have been diligently pursuing the consolidation of Undergraduate Flying Training for the last two years. The consolidation of Navigator Training appears to be quite a success story between the Air Force and the Navy. In regards to the training of Pilots, in your view, what are the advantages and limitations of a fully consolidated Air Force and Navy Undergraduate Pilot Training program?

What was the effect, if any, of DoD or Joint Staff policy regarding cross-servicing of the Air Force's pilot training with the Navy on training requirements and on basing decisions?

What alternatives did the Undergraduate Pilot Training Joint Cross-Service Group provide to the Air Force regarding the closure or realignment of its pilot training bases?

How did the Air Force respond to these alternatives?

2. General Fogleman, what elements of the Air Force Undergraduate Pilot Training program require Air Force-specific training that is unique as compared to the Navy program?

Did DoD or the Services consider integrating Pilot Training operations at the same base and using the same training aircraft in a way that permits Air Force-specific training?

3. General Fogleman, how would the subsequent reduction of excess capacity due to the consolidation of Air Force and Navy Pilot Training programs restrict the Air Force's ability to ramp-up future pilot—and international pilot—production requirements?

4. General Fogleman, what was the impact, if any, of basing considerations for the Joint Primary Aircraft Training System on your BRAC 95 basing decisions?

Will final selection of a jet or prop Joint Primary Aircraft Training System aircraft affect your basing decisions?

What Joint Primary Aircraft Training System selection criteria, such as range, airspace, and cross-wind limitations, were or were not considered as factors in your basing decision and why? This criteria is relevant, since Reese Air Force Base, Texas was downgraded in these areas.

Absent a decision on which Joint Primary Aircraft Training System aircraft candidate will be selected until this summer, and recognizing that the planned introduction of the Joint Primary Aircraft Training System into the Service's Pilot Training programs will not occur until 2001 and stretch over a decade, how much weight did Joint Primary Aircraft Training System considerations carry in your decision-making during this round?

5. General Fogleman, the Air Force selected Reese Air Force Base, Texas as its first Specialized Undergraduate Pilot Training site, introduced the T-1 training aircraft there, and initiated the consolidation of Undergraduate Pilot Training with the Navy in a joint program there as well. Based on these decisions, many are of the impression that the Air Force places a high value on Reese Air Force Base.

Why has the Air Force now rated Reese so low in comparison to the other Undergraduate Pilot Training category bases?

Please explain the Air Force rationale for recommending the closing of Reese and transferring all its aircraft, in particular the newly introduced T-1 aircraft, along with the joint training program, to Vance, Laughlin and Craig, when these bases have yet to transition to these programs, as opposed to leaving these assets in-place at Reese, and simply closing one of these other bases, and avoiding the need for these transfers altogether.

6. Secretary Widnall, the Navy has requested significant changes in the plan for basing aircraft resulting from the 1993 decision to close Marine Corps Air Station El Toro, California and Naval Air Station Cecil Field, Florida. Can you comment on what has changed since 1993 that caused the Navy to require such a dramatic change?

FORCE STRUCTURE

1. Secretary Widnall, how do planned reductions in the bomber force in the Future Years Defense Plan, and in your Force Structure Plan, affect the base structure needed to support this force?

There is a statutory prohibition against retiring B-52H, B-1B or F-111 aircraft contained in the Fiscal Year 1995 National Defense Authorization Act. To accommodate this prohibition while drawing down the active bomber inventory, the Air Force created a "reconstitution reserve."

How has the "reconstitution reserve" affected the required basing structure?

What is the Air Force operational concept for maintaining these aircraft "on the ramp," the process for returning them to combat ready status in the event of a mobilization, and the sourcing of combat ready crews to fly these aircraft?

2. General Fogleman, considering that approximately 5.5 fighter wing equivalents remain based overseas, how much capacity should be retained in Continental United States in terms of land, usable facilities, and training facilities and ranges for basing those units if they are to return? Please elaborate.

3. General Fogleman, the Air Force has recently instituted a two-level maintenance structure instead of a three-level maintenance program. We understand that this has resulted in a \$259 million saving through civilian/military manpower reductions. Will this move to two-level maintenance create excess capacity at certain bases and should it lead to any infrastructure reductions? If so, please elaborate.

How has the Air Force's move to two-level maintenance affected your closure or realignment recommendations?

LARGE AIRCRAFT AND MISSILE BASES

1. Secretary Widnall, the Air Force recommended inactivation of the missile group at Grand Forks, "unless the need to retain Ballistic Missile Defense options effectively precludes this action." Should that be the case, you then recommended that the missile group at Minot should be inactivated. If you had recommended inactivating the missile wing at Malmstrom, instead of the group at Grand Forks or Minot, you could have avoided the uncertainty now facing the communities at Grand Forks and Minot as well as the cost of completing the Minuteman III conversion program at Malmstrom, and you could have closed an entire base.

Did the Air Force consider deactivating the missile wing at Malmstrom and closing an entire base, instead of deactivating the missile group at either Grand Forks or Minot? If so, why was it rejected?

2. Secretary Widnall, since the Air Force has identified Minot Air Force Base as an alternative to Grand Forks Air Force Base, do you consider Minot a Secretary of Defense recommendation for realignment?

3. Secretary Widnall, the future force structure decisions that led to the inactivation of one Minuteman missile group or wing were made several months ago. Why weren't the Anti-Ballistic Missile deployment implications of inactivating the missile group at Grand Forks reviewed at that time, so that the Air Force could make a more definitive recommendation now regarding inactivation of a missile group or wing?

4. Secretary Widnall, the Air Force has indicated that it could be as late as December 1996 before questions regarding the Anti-Ballistic Missile deployment implications related to closing the missile field at Grand Forks are resolved. These questions were also raised during the 1993 round when the missile field at Grand Forks was first considered for inactivation. In March of 1993, the Commission asked General Horner, the Commander-in-Chief of US Space

Command, to help resolve these questions, and in an April 1993 reply to the Commission, General Horner stated: "My staff has provided a copy of your letter to the Joint Staff and the Air Staff. I have asked them to assist in getting a definitive reading.

The Commission understands that a coordinated US Government position, requiring input from both DoD and the State Department, is needed regarding this issue. But it also appears that the Air Staff was asked to begin coordinating this position nearly two years ago, and as of now has been unable to get an answer.

During the DoD hearing last week, Secretary Deutch indicated that it should not take more than a few weeks to get a coordinated US Government position. What steps is the Air Force now taking to provide a prompt answer to the Anti-Ballistic Missile deployment issue so that the Commission can decide whether to focus on Grand Forks or another missile unit.

5. Secretary Widnall, between 1993 and 1995, the cost to close Malmstrom Air Force Base dropped from \$543 million to \$39 million, the cost to close Minot Air Force Base dropped from \$195 million to \$59 million, and the cost to close Grand Forks Air Force Base increased from \$118 million to \$129 million. What accounts for the sharp drop in the cost close Malmstrom or Minot versus the slight increase in the cost to close Grand Forks?

6. General Fogleman, we have heard numerous statements regarding the 1993 Commission recommendation to establish the East Coast Mobility Wing at McGuire Air Force Base, New Jersey as instead of Plattsburgh Air Force Base, New York as recommended by the Air Force.

Has the Air Force been satisfied with this decision?

Has the establishment of the East Coast Mobility Wing progressed to your satisfaction?

Will the wing be able to accomplish its mission?

7. General Fogleman, with the transfer of tanker aircraft from Malmstrom Air Force Base, Montana to MacDill Air Force Base, Florida, is the Air Force reopening a closed base and adding infrastructure to the inventory?

Savings estimates from the previous BRAC recommendations will not be realized as a result of the new recommendation. Has this been taken into account in estimating the current savings?

How will additional cost savings be achieved by this action, as the current recommendation indicates?

Why is the base being opened as an active component installation rather than a Reserve installation as recommended in 1993?

SMALL AIRCRAFT BASES

1. Secretary Widnall, the Air Force has reduced its fighter aircraft force from 36 fighter wings at the end of the Cold War to the 20 wings now projected in your current Force Structure Plan. Simultaneously, it has reconfigured the size of the typical fighter wing from 72 to 54 aircraft, and the typical squadron from 24 to 18 aircraft. Similarly, the size of reserve units has also decreased.

What was the Air Force's rationale for these smaller units?

In light of excess capacity at fighter bases that results from smaller wings, would it be feasible to increase the number of squadrons assigned to a fighter wing, or the number of fighter wings assigned to a base?

Is it reasonable to assume if the fighter wing structure is realigned to 72 aircraft that more bases could be closed?

Was wing size taken into consideration during the Air Force analysis of closure and recommendations?

2. General Fogleman, the current Force Structure Plan reduces the fighter aircraft inventory by six Fighter Wing Equivalents from 26 to 20 wings. During this drawdown, the Air Force has recommended closure of one small aircraft base, Homestead Air Force Base, in 1993.

Can you explain why the Air Force has been unable to identify any additional small aircraft bases for closure despite this significant reduction in fighter aircraft?

3. General Fogleman, an article in the March 1995 issue of the Air Force Magazine stated the Air Force is retiring the F-111 aircraft and that all would be out of the inventory by 1999.

Is this an accurate statement?

In light of the fact that all F-111s in the continental US are based at Cannon Air Force Base, New Mexico, and considering the retirement of all F-111's, what are your plans for Cannon Air Force Base ?

Please comment on why the retirement of the F-111 aircraft alone would not result in excess capacity in terms of small aircraft bases?

HOSPITAL ISSUES

1. Secretary Widnall, based on DoD data, the Air Force is currently operating more than two times the capacity it needs to meet wartime requirements. According to this information, if expanded bed capability is considered, capacity is more than six times the requirement.

Do you agree with this data?

Given this excess capacity, why isn't the Air Force recommending any hospital closures or realignments?

2. Secretary Widnall, the Medical Joint Cross Service Group recommended realigning eight Air Force hospitals to outpatient clinics -- USAF Medical Centers Wilford Hall, Scott Air Force Base, and Wright-Patterson Air Force Base, and the Air Force hospitals located at Shaw, Reese, Sheppard, and Langley Air Force Bases and the Air Force Academy. The DoD list includes none of these actions.

Why did the Air Force reject all of the Joint Cross Service Group alternatives?

3. Secretary Widnall, do the hospital closures that follow the Air Force's list of recommended base closures and realignments represent consideration of the Air Force's planned draw-down in medical staff and infrastructure, or will further actions be required?

4. Secretary Widnall, how did the Air Force consider the medical needs of the active duty personnel and their family members remaining in the area of hospitals to be closed?

How were the medical needs of retirees, survivors, and their family members taken into consideration?

ECONOMIC IMPACT ISSUES

1. Secretary Widnall, to what extent were your recommendations influenced by economic impact considerations?

How were the cumulative economic impact of closings on a region considered? Please elaborate.

Was any decision taken to down-size, rather than close an installation, as a result of economic impact considerations?

2. Secretary Widnall, the Navy, in their report, stated "Because of the large number of job losses occurring in California and Guam, the DON (Navy) decided against recommending several closures that could otherwise have been made Other than the Long Beach Naval Shipyard, no other closure is recommended that would result in a negative direct civilian job loss impact in any economic area in California".

Did the Air Force establish similar economic thresholds for any state or region?

3. Secretary Widnall, how did you assess the impact of your closure and realignment recommendations on existing and potential receiving communities' infrastructure? Please elaborate.

What factors were considered?

ENVIRONMENTAL IMPACT ISSUES

1. Secretary Widnall, according to DoD guidance, “environmental restoration costs at closing bases are not to be considered in cost of closure calculations.”

Were any bases not recommended for closure or realignment due to unique contamination problems? Please elaborate.

2. Secretary Widnall, did the overall cost of environmental restoration at all bases affect the size of the list presented to the Commission?

3. Secretary Widnall, DoD policy also states that “unique contamination problems requiring environmental restoration will be considered as a potential limitation on near-term community reuse.” Were any installations eliminated from closure consideration due to unique contamination problems? If so, please elaborate.

4. Secretary Widnall, DoD began its “Fast Track Cleanup” program eighteen months ago to speed cleanup on closing bases.

Does “Fast Track Cleanup” cause the Air Force to clean up a closing base sooner than if the base were to remain open?

Do costs of cleanup increase because the cleanup is on the fast track? If so, should cost of cleanup be considered in cost of closure calculations?

5. Secretary Widnall, in making closure and realignment decisions, what role did environmental compliance play in your analysis?

Did the fact that a base’s expansion potential is limited by environmental restrictions 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?

6. Secretary Widnall, how many installations recommended for closure in this or prior rounds are expected to have substantial portions of land placed into caretaker status due to unique contamination problems?

How long are such caretaker costs accounted for under base closure funding?

7. Secretary Widnall, in the 1993 round, one community pointed out that the cost of cleaning up an installation directed to close could be three to ten times as great as the cost of cleaning up an active installation. This difference is due to expected technological advances in environmental restoration.

Do you believe the difference between routine and closure related cleanup costs, if factual, should be considered in cost of closure calculations?

CHANGES TO PREVIOUS ROUNDS

1. Secretary Widnall, the 1991 BRAC Commission agreed with the Air Force recommendation to close Bergstrom Air Force Base, Texas and to retain the Reserve units in a cantonment area “. . . if the base is converted to a civilian airport.” This recommendation was contingent on a community commitment by June 93, which was met, to operate Bergstrom as a civilian airport.

In 1993 the Air Force recommended the Reserve units be relocated to Carswell Air Force Base. The 93 BRAC Commission found substantial deviation with this recommendation because the Air Force had failed to recognize the communities commitment to establish a civilian airport, and did not consider the demographics problem associated with the large multi-service reserve component population planned for Carswell (i.e., numerous Navy Reserve units and an Air National Guard unit).

Would you please explain what conditions have changed to cause the Air Force to recommend deactivation of the unit?

Could you explain how the aircraft are proposed to be redistributed?

AIR FORCE SPACE COMMAND BASES

1. General Fogleman, the Secretary of Defense recommended realignment of the Onizuka Air Station, California, including the inactivation of the 750th Space Group and moving its functions to Falcon Air Force Base, Colorado, and relocation of Detachment 2, Space and Missile Systems Center to Falcon Air Force Base.

What are the projected future Air Force satellite control requirements and how do they differ from current requirements?

In the Space-Satellite Control Subcategory, what percent of excess capacity currently exists at Onizuka Air Station?

Based on projected future Air Force satellite control requirements, what percent of excess capacity is expected to be found at Onizuka Air Station?

Does realignment of Onizuka Air Station leave sufficient capacity to adequately support projected future requirements?

If the Air Force has one more satellite control installation than is needed to support projected future requirements, then why did the Air Force not recommend closing Onizuka Air Station?

What other tenants would be affected by a decision to close the facility?

AIR RESERVE COMPONENT ISSUES

1. Secretary Widnall, during the 1993 base closing process, the Air Force identified the basing of Air Reserve Component units as an issue that would be addressed during this round. Further, the size of Air Reserve Component units has recently been reduced.

How have you addressed the Air Reserve Component during this round of base closure?

Do this years recommendations eliminate all excess capacity in the Air Reserve Component?

How have opportunities to consolidate reserve squadrons been affected by reductions in the size of Air Reserve Component units?

2. General Fogleman, the Air Force is recommending the transfer of a few Air National Guard units to larger active and reserve bases, such as McClellan and March Air Force Bases in California.

Also, the Air Force has recommended the closure of the Pittsburgh International Airport Air Reserve Station and the realignment of its eight C-130 aircraft to two other Reserve units. The justification for this action states, "The Air Force Reserve has more C-130 aircraft operating locations than necessary to effectively support the Reserve C-130 aircraft in the Department of Defense Force Structure Plan."

However, there are many Air Reserve Component units that were not recommended for consolidation. For example, no major Air National Guard unit (as identified in Appendix VI of the Air Force's Analyses and Recommendations) was identified for closure or realignment?

Since there appears to be considerable savings to be gained by this type of consolidation of resources, what opportunities exist for further consolidations throughout the Air Reserve Component, especially in the fighter force structure where there have been reductions in the size of the units?

What distinguished the Air Reserve Component units the Air Force recommended for relocation to other bases as candidates for this action?

Why was the Air National Guard unit at Pittsburgh International Airport not identified for relocation in light of the fact the Air Force Reserve unit at the same location was recommended for relocation?

Since the Air National Guard unit will remain at Pittsburgh International Airport, how will this affect the closure of the Air Force Reserve station at the airport?

3. Secretary Widnall, Representative Calvert and the Riverside, California community have been actively involved in a proposal to the Navy to relocate Rotary Wing assets from Marine Corps Air Station Tustin to March Air Force Base. Considering that March Air Force Base was realigned as a Reserve Base as a result of the 1993 Closure Round, has the Air Force been a part of those discussions and do you consider the initiative as acceptable to the Air Force?

INDUSTRIAL/TECHNICAL SUPPORT - DEPOT Subcategory**TIERING OF BASES**

As an intermediate step in the Air Force Process, the BCEG members established the following tiering of bases based on the relative merit of bases within the subcategory as measured using the eight selection criteria. Tier I represents the highest relative merit,

TIER I

Hill AFB
Tinker AFB

TIER II

Robins AFB

TIER III

Kelly AFB
McClellan AFB

QUESTIONS SUGGESTED BY MEMBERS OF CONGRESS

NEW MEXICO CONGRESSIONAL DELEGATION

Sen. Pete Domenici
Sen. Jeff Bingaman
Rep. Joe Skeen
Rep. Bill Richardson
Rep. Steve Schiff

1. Nuclear deterrence remains the backbone of the United States Strategic Policy of deterrence. Are any facilities under consideration involved with, or connected to the US nuclear deterrent capability? Was an analysis done on the impact on this capability? Was the Department of Energy consulted with regard to this impact?
2. One of the principal BRAC objectives is to consolidate DoD activities. Was consideration given to the interrelationship of the bases on the list and the tenants located on the facility? Were these tenants contacted and asked to provide information about the economic effects base realignment will have on them, and the effects on their overall mission? Can you provide tenant responses to these questions, along with a list of tenants for each base on this list including the functions shared between the base and the tenant?
3. Which bases on the proposed list for realignment or closure have an intergovernmental relationship with agencies or entities outside the base? Were these entities notified, or asked to provide information about economic effects, or mission? Will you provide these responses?

REP. SHERWOOD BOEHLERT, NY

In last weeks testimony before this commission, Defense Secretary Perry described Lowery Air Force Base's reuse plan as a successful consequence of the BRAC process.

1. In the BRAC 95 process, did you consider the communities' reuse plans as a result of previous BRAC closure or realignment decisions?

Should already completed, well developed reuse planning efforts be a part of subsequent BRAC decisions?

2. At Rome, New York for instance, as a result of the realignment of Griffiss Air Force Base, a reuse plan was completed with the assistance of the Office of Economic Adjustment and the Air Force.

Was the impact to the community's reuse plan taken into consideration in the decision to close Rome lab?

CONGRESSMAN LARRY COMBEST, TX

Secretary Widnall:

We have had only had a few days to review the data which was used to make decisions on Undergraduate Pilot Training, but some things stand out. Let me give you some examples of what I would consider real animosities:

RANKING OF BASES

1. The Air Force rated Reese Air Force Base number two among five Undergraduate Pilot Training Bases in 1991. What has changed at Reese or at other bases that would make the Air Force rank Reese Air Force Base last, well below its other Undergraduate Pilot Training bases in the 1995 analysis?

QUALITY OF LIFE

1. Reese Air Force Base is the number one choice of student and instructor pilots in Air Education and Training Command for base of assignment. Obviously, they think that the Quality of Life at Reese is better than that at other Undergraduate Pilot Training bases. Why would the Air Force ignore this very clear Quality of Life indicator and recommend Reese Air Force Base for closure?

2. With respect to educational opportunities, Reese Air Force Base in Lubbock, Texas is rated below Vance Air Force Base in Enid, Oklahoma. Are you aware that Enid, Oklahoma has one private university with a permanent enrollment of over 700 students? Lubbock, Texas has two private universities, a private college, and Texas Technical University with a permanent enrollment of over 17,000 students, nine undergraduate schools, two graduate schools, and a 1.1 million volume library. Knowing that one of the important features of an assignment for our highly skilled officer pilots and their talented spouses is the availability of graduate education programs. How is it that the Air Force rated Vance AFB higher than Reese AFB in educational opportunities?

OPERATIONS

1. Reese Air Force Base was the choice of the Air Force, the Navy, and the Department of Defense for implementation of Joint Undergraduate Primary Airlift/Tanker and Maritime training of the Air Force. How is it that the Air Force, now in 1995, rates its capability in all of these areas as less than that of Columbus, Randolph, and Vance Air Force Base's?
2. Reese and Laughlin Air Force Base's have fully implemented T - 1 training and have completed all the facility construction necessary to support that training. Did the Air Force consider the fact that Vance AFB has not implemented T - 1 training and has not yet built the necessary T - 1 facilities?
3. Did you consider the savings that would accrue from stopping construction and implementation of the T - 1 program at Vance?
4. In evaluating the airspace available at each Undergraduate Training Base, did you concentrate on measuring only the volume of airspace owned or controlled by the base or did you take into consideration the usability of all the airspace available to the base for training?
5. Isn't usable or useful airspace a more valid measure than total airspace?
6. Isn't it true that in the Joint Cross-Service Group, the Air Force argued with the Navy that heavily weighing total available airspace was an improper measure of capacity?

ANALYSIS ERRORS

The following are examples of errors in the published results of the Air Force's analysis that we have noticed at first glance:

PREVIOUS RANKINGS

1. In the 1991 Base Closure round, Air Force Undergraduate Pilot Training (UPT) bases were reviewed and Reese Air Force Base was rated very highly - number two out of five Air Force bases. What accounts for this disparity?
2. The Air Force itself and the Department of Defense have placed great confidence in Reese AFB by choosing it as: the first base to implement Specialized Undergraduate Pilot Training; the first base to receive the new T - 1 airlift/tanker training aircraft; the first and only base to implement the Air Force's portion of Joint Primary Undergraduate Pilot Training; the first and only base to do Joint Maritime Training for the Navy in the T - 1; and Reese is the Air Force's choice as the first base to receive the new JPATS aircraft. Why would the Air Force want to close its premier UPT base?
3. The Air Force analysis rates Reese below three UPT bases (Columbus, Randolph, and Vance) in its ability to perform Primary, Airlift/Tanker and Maritime training. If this is the case, why did the Air Force choose Reese as the first base to perform joint training with the Navy in all three of these categories?

QUALITY OF LIFE

1. Reese AFB is the number one choice of preference for base assignment of Student and Instructor Pilots in the Air Force's Air Education and Training Command (confirmed in a statement to the Lubbock Avalanche-Journal, February 2, 1995). This kind of choice is made on the basis of Quality of Life. Why would the Department of Defense, newly committed to stressing "people over programs" (John Deutch, 09/94), want to close the base that its personnel rate as the best for Quality of Life?

Vance AFB is rated in this year's analysis as co-equal with Reese in transportation. Reese and Randolph Air Force Bases are the only bases near large metropolitan areas with international airports. Reese was specifically chosen as the Joint Navy training base because it was the most accessible UPT base.

Reese is rated as RED by the Air Force in "Geographic Location," yet it was their choice as a joint training base because it is the most accessible of all Air Force UPT bases.

Vance is rated higher in education with only one small 700 student private university. Reese has three universities including Texas Tech and its associated medical school and one private college available in nearby Lubbock, Texas.

OPERATIONS

Airspace is one area that was weighted very heavily during this round's analysis. We are firmly convinced that Reese AFB has access to adequate airspace to do its mission and it is unthreatened by encroachment. We are concerned that sheer volume of airspace owned and controlled by each base was emphasized, and that usability was not adequately considered. Some bases may own/control more airspace than Reese in terms of sheer volume, however, much of their airspace is unusable for basic Undergraduate Pilot Training.

Reese has readily available visual routes and alternate training fields.

SAVINGS

The objective of any BRAC process is to save our tax dollars. Reese's T - 1 program is fully implemented with all facilities in place. Vance Air Force Base is still constructing their T - 1 hangar. Stopping construction would save MILCON dollars.

SENATOR RICK SANTORUM, PA

1. Secretary Widnall, the DoD justification for closure of the Pittsburgh IAP Air Reserve Station was that, "although Greater Pittsburgh ARS is effective in supporting its mission, its evaluation overall under the eight criteria supports its closure. Its operating costs are the greatest among Air Force Reserve C-130 operations at civilian airfields."

Can you tell me what exactly are the components of "operating costs?"

Are the costs associated with successfully manning at 110% considered relative to other bases which are below 100% total manning?

Are the costs incurred in maintaining a higher state of readiness (exercise, contingency, and humanitarian deployments, etc.) held against the unit in computing "operating costs?"

CONGRESSMAN JAMES V. HANSEN, UT

1. Secretary Widnall, Did you, or anyone on your staff, receive any communication or guidance from the White House, or anyone associated with the White House, directing you to remove McClellan AFB in California from consideration for closure or recommending that you devise a plan for Air Logistics Centers that would keep McClellan open?

Congress of the United States

House of Representatives

Washington, DC 20515

March 3, 1995

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

Dear Mr. Chairman:

We would like to thank you for presenting the questions, we, the New Mexico delegation, submitted for the Secretary of Defense during the first hearing of the Defense Base Closure and Realignment Commission. We are looking forward to a response from the Defense Department.

In the meantime the process continues and we again respectfully submit the following attached questions for consideration by the BRAC Commissioners for the March 6, 1995 hearing to submit to the Secretary of the Air Force, Sheila Widnall. Should you have any questions regarding this issue please feel free to call Troy Benavidez, Legislative Director for Steve Schiff at (202) 225-6316.

We appreciate your consideration in this matter.

Sincerely,



Pete Domenici



Joe Skeen



Jeff Bingaman



Bill Richardson



Steve Schiff

1. How much money was appropriated for military construction at Kirtland AFB for fiscal years 1994 and 1995? How does this compare with other Air Force bases and facilities, scheduled for closure or realignment in the 1995 BRAC.
2. According to the Air Force's proposal for the 1995 BRAC, Kirtland AFB has tenants, both Air Force and non-Air Force, which will require continued support. Would there exist recurring costs if the Air Force had transferred the Space and Missile Systems Center and Aerospace Corporation to Kirtland AFB and closed Los Angeles Air Force Base?
3. Is there any plan in existence determining which facilities at Kirtland AFB, to be abandoned as a result of realignment, will be turned over to other government agencies or private enterprise? Will the existing fence perimeter be altered?
4. By the date that the Secretary of the Air Force's recommendations were sent to the Secretary of Defense, had the Air force consulted with the Department of Energy as to the effect of realignment on the Department's nuclear deterrence mission and/or the fiscal impact of the realignment of the DOE with respect to nuclear deterrence programs? Did the Air Force receive any response from the DOE? Was the response in writing?
5. By the date that the Secretary of the Air Force's recommendations were sent to the Secretary of Defense, had the Air Force consulted with the Department of Energy or Sandia National Laboratories as to the effect of the realignment on Sandia National Laboratories? Did the Air Force receive any response from the DOE or Sandia? Was the response in writing?
6. By the date that the Secretary of the Air Force's recommendations were sent to the Secretary of Defense, did the Air Force consult with all of Kirtland's scheduled remaining tenants, both Air Force and non-Air Force, about the effect of the realignment of their respective missions and the fiscal costs to them of the realignment. Did the Air Force receive any responses? Were they in writing?
7. By the date that the Secretary of the Air Force's recommendations were sent to the Secretary of Defense, did the Air Force consult with the Department of Veterans Affairs about the effect of no longer supporting the joint Air Force-Department of Veterans Affairs Medical Center in Albuquerque? Did the Air Force receive any response? Was it in writing?

8. By the date that the Secretary of the Air Force's recommendations were sent to the Secretary of Defense, did the Air Force consult with the city of Albuquerque on the effect of the withdrawal of the Air Force crash-fire support to the Albuquerque International Airport? Did the Air Force receive any response? Was it in writing?
9. By the date that the Secretary of the Air Force's recommendations were sent to the Secretary of Defense did the Air Force consult with the Assistant to the Secretary of Defense for Atomic Energy about the effect of removing the Field Command of the Defense Nuclear Agency from Kirtland? Did the Air Force receive any response from the Assistant to the Secretary? Did he address the adverse impact on DNA's mission of separating the Field Command from DOE's Albuquerque Operations Office and Sandia and Los Alamos Laboratories?
10. Was it appropriate to categorize Kirtland AFB as a Laboratory and Product Center when the Air Force's Phillips Laboratory represents only a small fraction of the installation work force?
11. Wouldn't it have been more appropriate to look at Kirtland AFB as a federal installation with significant Department of Defense and Department of Energy activities, rather than as an Air Force Laboratory and Product Center?
12. An Air Force justification indicates that the Sandia and Phillips Laboratories can be cantoned. Does the cantonment plan envision cantoning the 60 square miles of specialized testing and storage areas and facilities used by both laboratories? Was the cost of such an extensive cantonment properly assessed?
13. With respect to the move of the 58th Special Operations Wing, what are the total costs for relocating this wing? How much of these costs are associated with moving the flight simulators?
14. Does your estimate of the cost savings of realigning Kirtland include the new security cost for the 898th Munitions Support Squadron, whose mission is control and security of nuclear weapons? Are these security forces costed as high-quality police with special training equipment and procedures or as the standard security forces associated with a normal Air Force Base?





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

February 6, 1995

Honorable John H. Dalton
Secretary of the Navy
The Pentagon, Room 4E686
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, Admiral Boorda, General Mundy, and other appropriate members of your staff to present the Department of the Navy's 1995 closure and realignment recommendations to the Commission on Monday, March 6, 1995.

Your testimony should summarize the process used by the Navy 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 Navy's current and projected force structure and training requirements. Your testimony should also address the role that the Joint Cross Service Groups played in the development of the Navy'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 Navy'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, Admiral Boorda, and General Mundy 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. Alex Yellin 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 larger, more prominent script than the last name "Dixon".

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 Sheila E. Widnall
Secretary of the Air Force
The Pentagon, Room 4E871
Washington, D.C. 20301

Dear Madam 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 Fogleman, and other appropriate members of your staff to present the Department of the Air Force's 1995 closure and realignment recommendations to the Commission on Monday, March 6, 1995.

Your testimony should summarize the process used by the Air Force 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 Air Force's current and projected force structure and training requirements. Your testimony should also address the role that the Joint Cross Service Groups played in the development of the Air Force'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 Air Force'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 Fogleman will give the Commission your views on this important question.

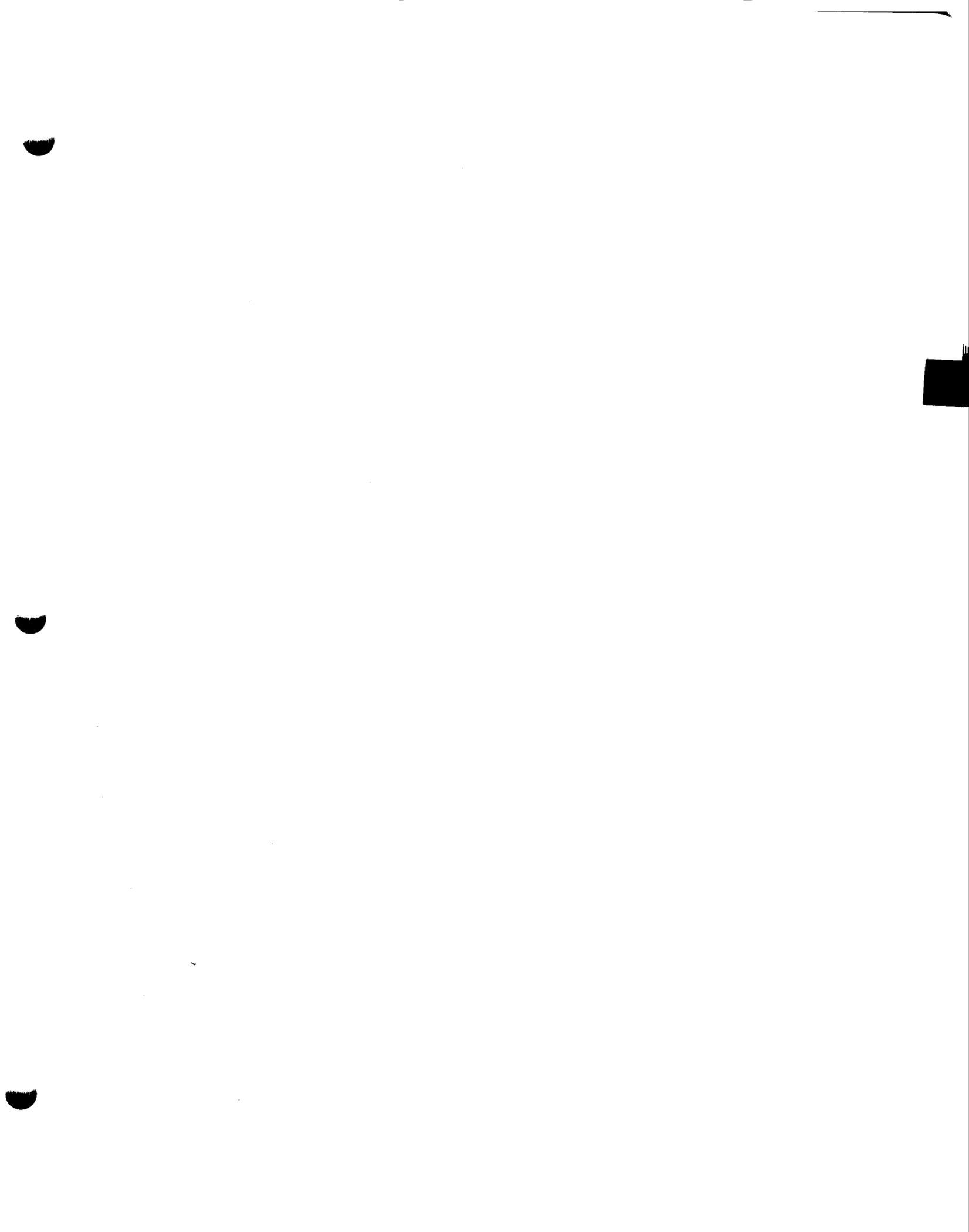
The hearing will be held in Room 345 of the Cannon House Office Building at 1:30 p.m. Please provide 100 copies of your opening statement to the Commission staff at least two working days prior to the hearing. If your staff has any questions, they should contact Mr. Frank Cirillo of the Commission staff.

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 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 Realignment

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

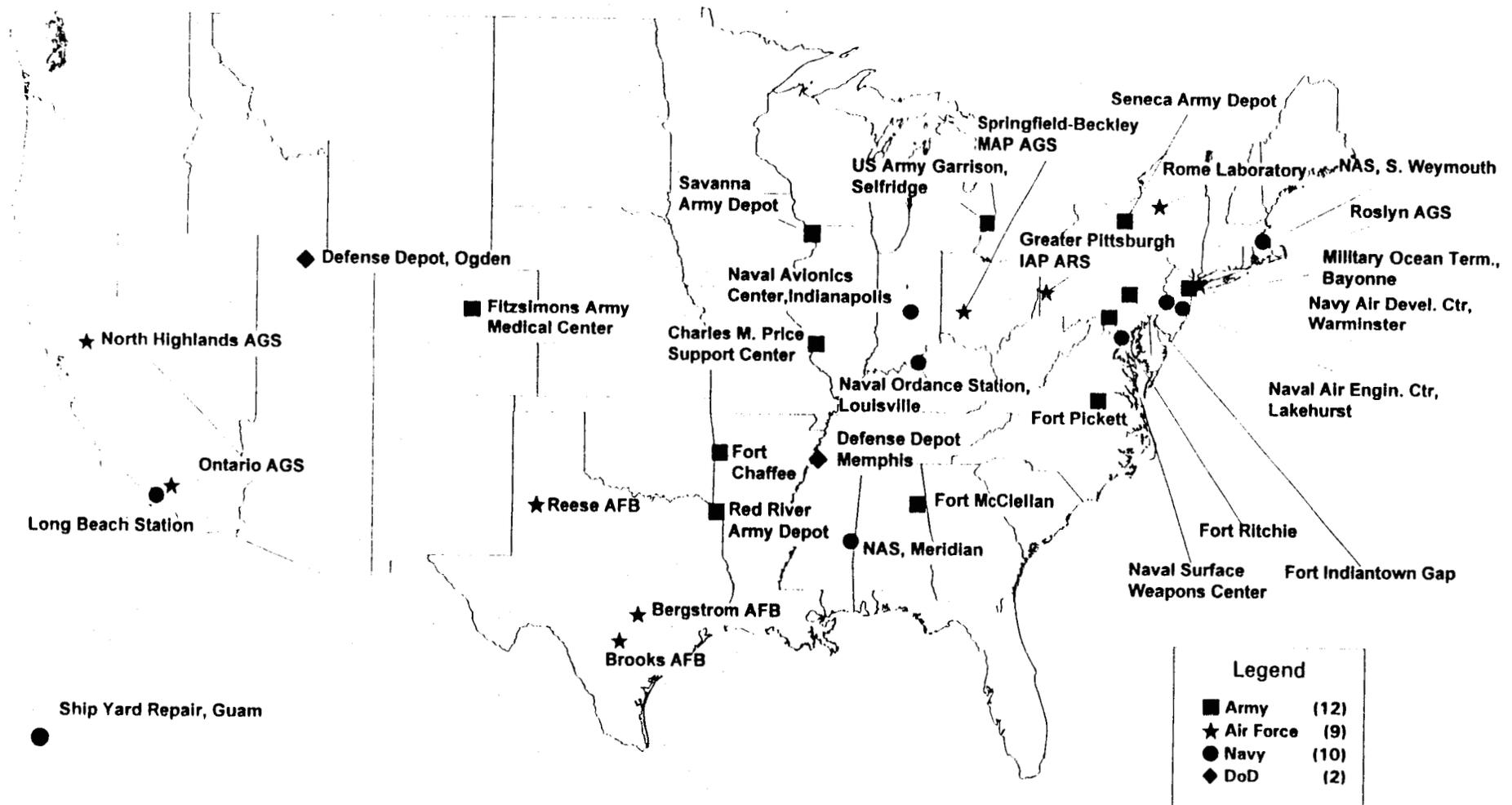
Williams AFB, Arizona
Lowry AFB, Colorado
Homestead AFB, Florida (301st Rescue Squadron)
Homestead AFB, Florida (726th Air Control Squadron)
MacDill AFB, Florida
Griffiss AFB, New York (Airfield Support for 10th Infantry (Light) Division)
Griffiss AFB, New York (485th Engineering Installation Group)

Defense Logistics Agency

Defense Contract Management District West, El Segundo, California

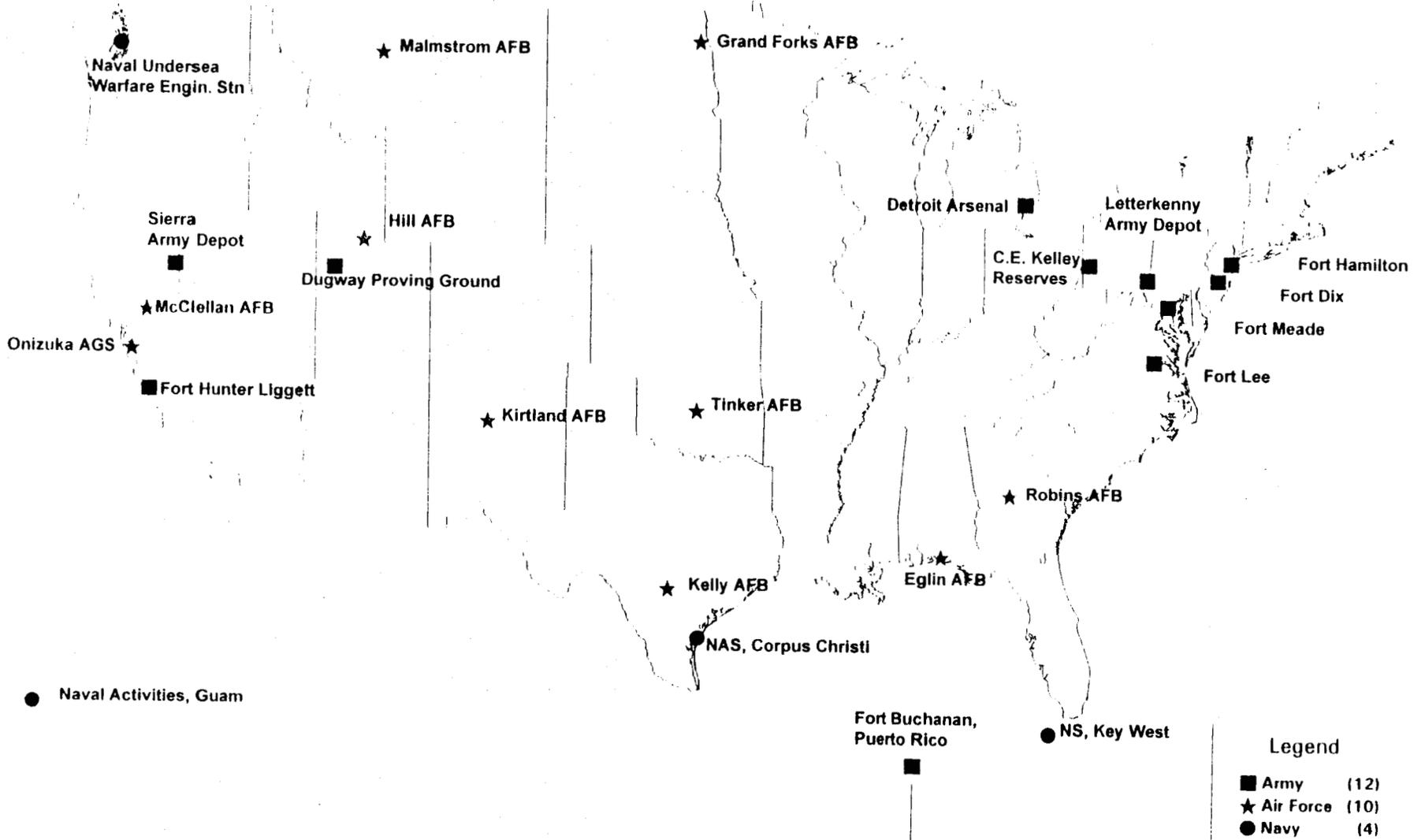
1995 DoD Recommendations Major Base Closures

● NAS, Adak



1995 DoD Recommendations Major Base Realignments

■ Fort Greely



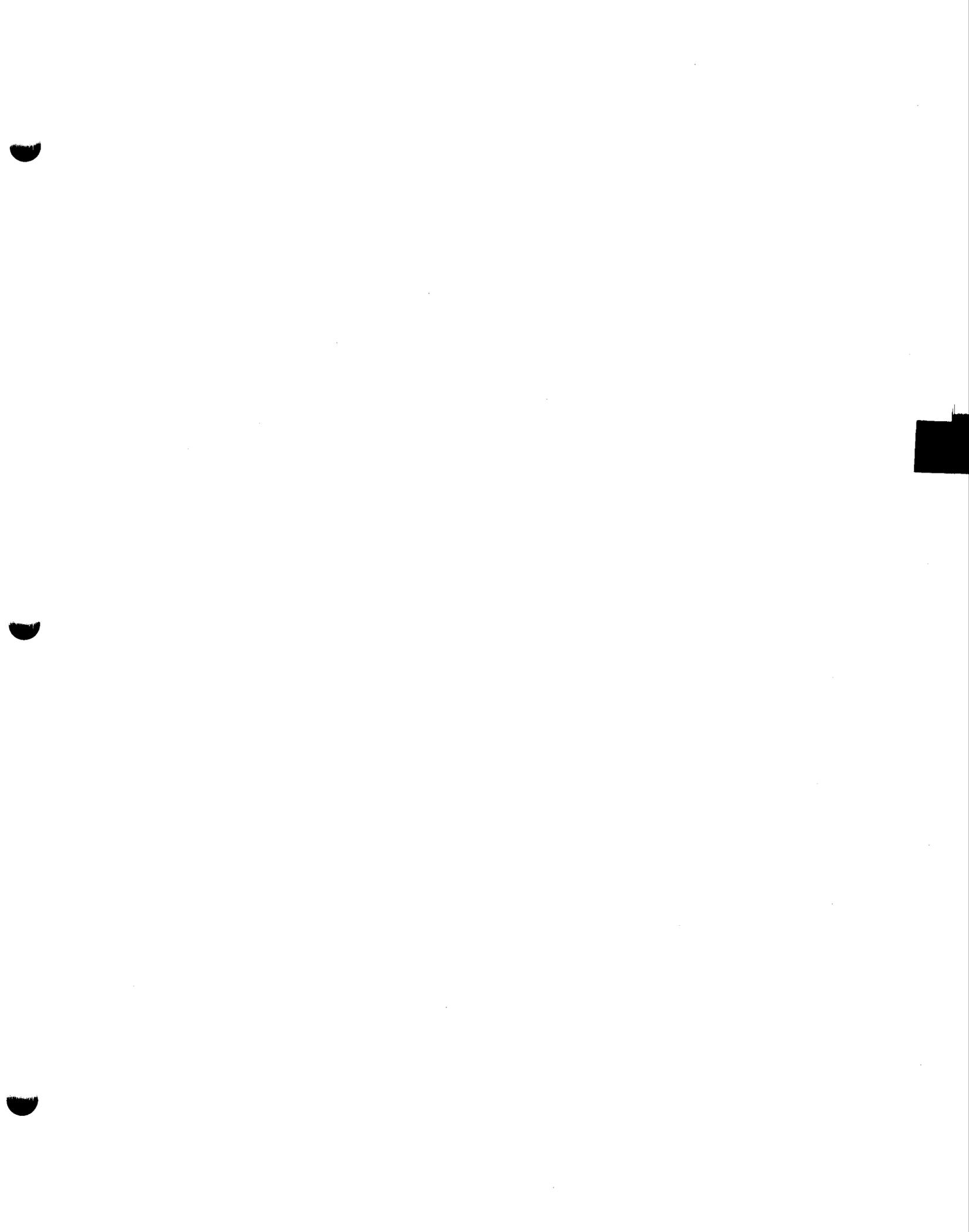
Legend

- Army (12)
- ★ Air Force (10)
- Navy (4)



CHARTER

- A. Official Designation: Defense Base Closure and Realignment Commission
- B. Objective and Scope of Activity: In accordance with the National Defense Authorization Act for FY 1991, there is hereby established a Presidential advisory committee entitled the Defense Base Closure and Realignment Commission, which shall review the recommendations made by the Secretary of Defense regarding base closures and realignments for the time periods and by the dates set down in the Authorization Act. The Commission shall transmit a report of its findings and conclusions to the President, based upon a review and analysis of the Secretary's recommendations, together with the Commission's recommendations for closures and realignments of military installations in the United States.
- C. Period of Time Required: This Commission shall continue to function until December 31, 1995, as specified in the Act.
- D. Official or Sponsoring Proponent to Whom the Commission Reports: The Commission shall report directly to the President, and provide copies of its reports to the congressional defense committees.
- E. Support Agency: The Director of Administration and Management, Office of the Secretary of Defense, shall provide administrative and related support for the Commission.
- F. Duties and Responsibilities: The Commission will be composed of eight members appointed by the President, by and with the advice and consent of the Senate. At the time the President nominates individuals for appointment to the Commission for each session of Congress, the President shall designate one such individual to serve as Chairman of the Commission. The functions of the Commission are outlined in B. above and amplified in the Act.
- G. Estimated Annual Operating Costs and Manyears: It is estimated that the annual operating costs for the Commission for the calendar years 1991 through 1995 will average \$2.65 million. Funding for the operation of the Commission will be appropriated and obtained from the DoD Base Closure Account 1990, as specified in the Act.
- H. Number of Meetings: The Commission will meet only during calendar years 1991, 1993, and 1995. During each of those years it will meet as needed, upon the call of the Chairman, to meet the functions and the responsibilities outlined in B. above and amplified in the Act. Ad hoc panels and staff working groups will perform research and analysis functions, as necessary, to carry out the responsibilities of the Commission.
- I. Termination Date: The Commission will terminate on December 31, 1995. This charter will be renewed every two years from the date of its establishment, consistent with the Federal Advisory Committee Act.
- J. Date Charter is Filed: _____



PROCEDURAL RULES OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

- Rule 1 The Defense Base Closure and Realignment Commission ("Commission") was established in Title XXIX of the National Defense Authorization Act for Fiscal Year 1991, Pub. L. No. 101-510 as amended. The Commission's operations shall comply with the Act and with these Procedural Rules.
- Rule 2 The Commission's meetings, other than meetings in which classified information is to be discussed, shall be open to the public. In other respects, the Commission shall comply with the Federal Advisory Committee Act, as amended, 5 U.S.C. app2.
- Rule 3 The Commission shall meet only during calendar years 1991, 1993, and 1995.
- Rule 4 The Commission shall meet at the call of the Chairman or at the request of a majority of members of the Commission serving at that time.
- Rule 5 When the Commission meets to consider (a) the recommendations of the Secretary of Defense ("Secretary") submitted under section 2903(c) of Pub. L. No. 101-510, as amended, (b) the Commission's report to the President under section 2903(d) including the Commission's recommendations for closures and realignments of military installations, or (c) a revised list of recommendations for the closure or realignment of military installations under section 2903(e), a quorum shall consist of a majority of the Commission members serving at that time. When the Commission conducts public hearings on the Secretary's recommendations under section 2903(d) (1), a quorum shall consist of one or more members designated by the Chairman.
- Rule 6 When the Commission meets to consider (a) the recommendations of the Secretary of Defense ("Secretary") submitted under section 2903(c) of Public Law No. 101-510, as amended, (b) the Commission's report to the President under section 2903(d), or (c) a revised list of recommendations for the closure or realignment of military installations under section 2903(e) and a QUORUM has been established, a vote shall be required of the Commission to dispense with any of the above responsibilities or to ratify any actions of the Commission. The adoption of any action taken by the Commission with regard to responsibilities (a), (b), or (c) stated above will be by a majority vote of Commission members serving at that time. Commissioners may vote in person or by proxy in accordance with Rule 9. The resolution of all other issues arising in the normal course of the Commission meetings or hearings, etc. will be by a simple majority of the Commissioners present.

Rule 7 The Chairman shall preside at meetings and public hearings of the Commission when he or she is present. In the Chairman's absence, he or she shall designate another member of the Commission to preside.

Rule 8 The Chairman (or another member of the Commission presiding in the Chairman's absence) shall have the authority to ensure the orderly conduct of the Commission's business. This power includes, without limitation, recognizing members of the Commission and members of the public to speak, imposing reasonable limitations on the length of time a speaker may hold the floor, determining the order in which members of the Commission may question witnesses, conducting votes of members of the Commission, and designating Commission members for the conduct of public hearings under section 2903(d)(1).

Rule 9 A member of the Commission may designate another member to vote and otherwise act for the first member when he or she will be absent. The first member shall issue a written proxy stating the specific or limited purpose for which the proxy can be exercised.

Rule 10 These rules other than those required by statute may be amended by the majority vote of the members of the Commission serving at that time.

Rule 11 Public and all interested parties may submit written testimony for the record.

**Oath to be administered to all witnesses testifying before the
Commission:**

Do you solemnly swear or affirm that the testimony you are about to give to the Defense Base Closure and Realignment Commission shall be the truth, the whole truth, and nothing but the truth?



**THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
1995 ORGANIZATION CHART**

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1995 ORGANIZATION CHART**

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Staff Contact: Irene Schecter



March 01 - 31, 1995

EVENT CALENDAR (as of 3/2)

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday																																																																																											
<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid white; padding: 2px;"> <p style="text-align: center; margin: 0;">February</p> <table style="font-size: 8px; border-collapse: collapse; width: 100%;"> <tr><td>S</td><td>M</td><td>T</td><td>W</td><td>T</td><td>F</td><td>S</td></tr> <tr><td></td><td>1</td><td>2</td><td>3</td><td>4</td><td></td><td></td></tr> <tr><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td></tr> <tr><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td></tr> <tr><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td><td>25</td></tr> <tr><td>26</td><td>27</td><td>28</td><td></td><td></td><td></td><td></td></tr> </table> </div> <div style="border: 1px solid white; padding: 2px;"> <p style="text-align: center; margin: 0;">April</p> <table style="font-size: 8px; border-collapse: collapse; width: 100%;"> <tr><td>S</td><td>M</td><td>T</td><td>W</td><td>T</td><td>F</td><td>S</td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td></tr> <tr><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr> <tr><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td></tr> <tr><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td></tr> <tr><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td></tr> <tr><td>30</td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table> </div> </div>			S	M	T	W	T	F	S		1	2	3	4			5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28					S	M	T	W	T	F	S							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30							1 9:00 AM HRG.(Sec. Perry), SD-106 1:30 PM HRG. (Gotbaum), SD-106	2	3	4
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April 01 - 30, 1995

EVENT CALENDAR (as of 3/2)

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May 01 - 31, 1995

EVENT CALENDAR (as of 3/2)

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June 01 - 30, 1995

EVENT CALENDAR (as of 3/2)

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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11	12 HEARINGS (Cong.)	13 HEARINGS (Cong.)	14 HEARINGS (Cong.)	15 HEARINGS	16	17
18	19	20	21 DELIBERATIONS	22 DELIBERATIONS	23 DELIBERATIONS	24 DELIBERATIONS
25	26 DELIBERATIONS	27 COMMISSIONER REVIEW	28	29	30	

May

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Document Separator

ORIGINAL

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

OPEN MEETING

9:00 a.m.

345 Cannon House Office Building
Washington, D.C.

Monday, March 6, 1995

Copies of this transcript may be obtained
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COMMISSIONERS PRESENT:

Senator Alan J. Dixon, Chairman
Mr. Alton W. Cornella
Ms. Rebecca G. Cox
General J.B. Davis, USAF (Ret.)
Mr. S. Lee Kling
Rear Admiral Benjamin Montoya, USN (Ret.)
Major General Josue Robles, USA (Ret.)
Mrs. Wendi Louise Steele

PANEL I:

The Honorable John H. Dalton
Secretary of the Navy

Admiral Jeremy M. Boorda
Chief of Naval Operations

General Carl E. Mundy Jr.
Marine Corps Commandant

The Honorable Robert B. Pirie Jr.
Assistant Secretary of the Navy for
Installations and Environment

Mr. Charles Nemfakos

PANEL II:

* * * * *

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P R O C E E D I N G S

(9:00 a.m.)

CHAIRMAN DIXON: Ladies and gentlemen, this second hearing of the Defense Base Closure and Realignment Commission will please come to order. I'm delighted, ladies and gentlemen, to welcome my fellow base closure commissioners, who were confirmed, I'm glad to say, by the Senate, last Thursday.

I wonder, as I introduce them, if they would please rise so you can see who they are.

In alphabetical order, Mr. Al Cornella is a businessman in Rapid City, South Dakota, and a Navy veteran with service in Vietnam.

Ms. Rebecca Cox is a vice president of Continental Airlines and was a distinguished member of the Base Closure Commission in 1993.

General J.B. Davis retired from the Air Force as a four-star general after a distinguished 35-year career.

S. Lee Kling is a distinguished businessman in St. Louis, where he heads his own merchant banking firm.

Benjamin Montoya, retired from the Navy as a rear admiral, is now president of Public Service Company of New of

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1 New Mexico. Benjamin Montoya. I put you in the wrong state
2 for a minute there, Admiral.

3 Joe Robles, General Joe Robles, retired from the
4 Army as a two-star general, is now controller of USAA, Inc.
5 in San Antonio, Texas.

6 Mrs. Wendi Steele is a former U.S. Senate staff
7 member, a former Bush Administration official, and a former
8 distinguished Base Closure Commission staff member.

9 Now, would the seven of you please rise and raise
10 your right hands?

11 (Commissioners sworn.)

12 CHAIRMAN DIXON: Congratulations to you all.

13 Ladies and gentlemen, this morning we begin the
14 first of four hearings the Commission will hold today and
15 tomorrow here in our Capital City. At the first three
16 hearings, we'll hear from and question the secretaries of the
17 military departments and their chiefs of staff about the
18 recommendations of the Secretary of Defense to close or
19 realign bases in their branch of the service.

20 At the fourth hearing, tomorrow afternoon, we will
21 hear from the heads of defense agencies affected by closure
22 and realignment recommendations.

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1 This morning we are, of course, pleased to have
2 with us the Honorable John H. Dalton, Secretary of the Navy;
3 Admiral Jeremy M. Boorda, the Chief of Naval Operations;
4 General Carl E. Mundy Jr., the Commandant of the Marine
5 Corps; and the Honorable Robert B. Pirie Jr., the Assistant
6 Secretary of the Navy for Installations and Environment.

7 First, let me say that, in 1993, as part of the
8 National Defense Authorization Act for fiscal year '94, the
9 Base Closure and Realignment Act was amended to require that
10 all testimony before the Commission at a public hearing be
11 presented under oath.

12 As a result, all of the witnesses who appear before
13 the Commission this year must be sworn in before testifying.

14 Mr. Nemfakos, are you going to testify, as well, my
15 friend?

16 MR. NEMFAKOS: That's largely dependent on you.

17 CHAIRMAN DIXON: But you may participate. So would
18 you be kind enough to rise and raise your right hand, along
19 with the other four distinguished gentlemen?

20 (Witnesses sworn.)

21 CHAIRMAN DIXON: I thank you all. Secretary
22 Dalton, would you please proceed?

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1 SECRETARY DALTON: Yes, sir, Mr. Chairman. I would
2 like to submit a full statement to the Commission for the
3 record, but would like to present a shorter statement at this
4 time.

5 CHAIRMAN DIXON: Mr. Secretary, your full statement
6 will be reproduced in the record and carefully analyzed by
7 staff, and we thank you for your consideration in giving us a
8 shorter one. Thank you.

9 SECRETARY DALTON: Chairman Dixon, members of the
10 Commission, it is indeed an honor for me to provide an
11 overview of the Department of the Navy's recommendations for
12 base closure and realignment. These recommendations are the
13 result of a rigorous analytical process that builds upon the
14 BRAC '93 process, which was validated in the last round by
15 both the General Accounting Office and the Base Closure and
16 Realignment Commission after extensive review.

17 Mr. Chairman, our primary goal for BRAC '95 was to
18 reduce the Department of the Navy's share infrastructure to
19 the minimum required to sustain Navy and Marine Corps forces
20 through the year 2001.

21 Additionally, we are striving to design a more
22 streamlined and responsive support structure capable of

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1 maintaining a forward deployed expeditionary force. This is
2 an absolutely critical requirement. Our visibility
3 throughout the world must be reflective of a potent force
4 that is able to demonstrate our resolve wherever it is
5 deployed.

6 With our transition and operational focus to a
7 from-the-sea fighting force, we must also undertake right-
8 sizing of our infrastructure support so it is able to sustain
9 Naval forces in the broad spectrum of responses now and into
10 the foreseeable future. While we recognize that the
11 resources freed up by this process are vital to future
12 readiness, we are also mindful of our obligation to preserve
13 readiness today, as well.

14 Mr. Chairman, you highlighted the fact that, as
15 this is the last round of base closure authorized under the
16 Defense Base Closure and Realignment Act of 1990, you were
17 interested in a process for future base closure. There are
18 two questions that need to be asked:

19 First, how soon should we begin this process?

20 I believe, after a suitable period to implement and
21 assess prior base closure decision, we may once again need to
22 streamline the open process allowed by the Base Closure Act

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1 to re-orient our infrastructure. Without that process, we
2 have a very limited ability to effect such changes on our
3 own.

4 The second question, I believe, is this: is there
5 a better way to do this work in the future?

6 From the Department of the Navy's perspective, the
7 Base Closure Act has worked well. I think, Mr. Chairman, you
8 and your former colleagues in the Senate and House Armed
9 Services Committees accomplished a remarkable achievement
10 with this legislation. If it is possible to duplicate it for
11 future rounds of base closure, it has our endorsement.

12 However, because this is the last scheduled round
13 of closures, we have proceeded as if this were our final
14 chance to bring the size of our infrastructure into balance
15 with our declining force structure. We have faced a very
16 different challenge in this round of base closure.

17 Nevertheless, we have arrived at a set of
18 recommendations which, when taken with the decisions made in
19 previous base closure rounds, result in a Navy and Marine
20 Corps infrastructure able to support the kind of fast-paced,
21 flexible, worldwide operations that Naval forces will be
22 conducting well into the next century.

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1 Four principle themes are evident in our process
2 and recommendations:

3 First, we must retain the ability to pursue or
4 sustain essential technological effort;

5 Next, we must provide appropriate maintenance
6 support to fleet assets;

7 Third, our operational home ports must be
8 structured to provide the necessary degree of flexible
9 responsiveness;

10 Finally, we must position forces, training, and
11 support functions to support the total force concept.

12 With BRAC '95, we have eliminated unnecessary
13 duplication in our facilities without adversely impacting our
14 recent quality of life achievements. The savings we generate
15 from this process are absolutely critical to
16 recapitalization, which is the linchpin of our future
17 readiness.

18 These bases and installations also are the places
19 where our men and women live. Therefore, it is important
20 that what we retain contribute to overall morale and, thus,
21 operational readiness, by providing acceptable housing and
22 sufficient social, recreational, religious, and other support

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1 for sailors, Marines, and their families.

2 With these objectives in mind, I charged the under
3 secretary of the Navy, Mr. Richard Danzig, to assemble a Base
4 Structure Evaluation Committee to accomplish the analysis
5 required to satisfy the mandates of the act. This committee
6 was chaired by the Assistant Secretary of the Navy for
7 Installations and Environment, Mr. Robert Pirie.

8 The committee was supported by the Base Structure
9 Analysis Team whose responsibility was to collect data and
10 perform analysis as directed by the Evaluation Committee.
11 The Naval Audit Service worked in conjunction with the
12 analysis team to ensure that the standards of integrity which
13 the public has every right to expect were strictly followed.

14 These auditors reviewed and validated the data
15 gathering and evaluation process from top to bottom,
16 employing over 250 auditors from coast to coast, and in
17 Washington.

18 To ensure that the process was responsive to the
19 Navy and Marine Corps leadership, the Evaluation Committee
20 held a number of deliberative sessions with the fleet
21 commanders in chief and other major commanders to apprise
22 them of the progress of the process and to discuss potential

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1 impacts on fleet operations, support, and readiness. Prior
2 to making my final decisions, I also met with the Chief of
3 Naval Operations and the Commandant of the Marine Corps
4 several times to seek their advice, as well.

5 The efforts of the Department of Defense joint
6 cross-service groups complemented our process. We formally
7 considered their suggested alternatives, and many of our
8 recommendations include these suggestions. The joint cross-
9 service process did give us a broader sense of what was
10 possible and confirmed the validity of our evaluation
11 process.

12 I am confident that the Commission recognizes the
13 enormous task involved in reviewing over 800 activities in
14 five categories and in fully considering all mechanisms to
15 reduce excess capacity. The consistent theme, in looking at
16 that large universe of activities, was to ensure that we
17 could satisfy our goal of having a shore infrastructure that
18 had the full range of capability to support our Navy and
19 Marine Corps team.

20 Clearly, some excess capacity remains but, where it
21 remains, it has been identified as peculiar to a particular
22 type of installation or is being retained to protect future

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1 flexibility.

2 Now, Mr. Chairman, I'd like to discuss each of our
3 five major categories of activities, in light of the
4 philosophic framework I've just described. The approach
5 taken in this final round was profoundly affected by the 1993
6 base closure round which, as you recall, my department
7 completely closed two major ship home ports and two major
8 aviation bases.

9 Our decisions this time were carefully constructed
10 to ensure that our forces had sufficient capacity remaining
11 at operational bases to ensure the flexible response to
12 changing operational requirements that have become so vital
13 to the Naval forces' ability to go in harm's way, as well as
14 to perform emerging new peacetime missions.

15 Much of the remaining ship home-porting capacity is
16 located in our fleet concentrations on the Atlantic and
17 Pacific coasts. While our aggressive operating tempo would
18 allow some additional closures, I did not think it prudent to
19 further reduce our stateside infrastructure beyond the
20 actions taken in the round of 1993.

21 The changing shape of our Pacific fleet and the
22 changing nature of Pacific deployment patterns allowed us to

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1 redo our Western Pacific presence in Guam while retaining the
2 necessary wharves, infrastructure, and equipment to allow
3 continued access.

4 For Naval aviation, the previous round of closures
5 was cost-effective, but had significant startup costs at
6 existing bases for the transfer of assets. With the
7 continued reduction of Naval aviation assets, our analysis
8 this time considered realignment of prior BRAC movements in
9 order to minimize future expenditure of scarce resources.

10 Better use of facilities at existing bases through
11 co-location of like air frames and grouping of common
12 missions resulted in significant cost savings. Reassigning
13 carrier-based anti-submarine warfare assets to Naval Air
14 Station Jacksonville builds a synergy of anti-submarine
15 warfare platforms and allows single-siting all F-14 and Navy
16 Atlantic Fleet strike fighter tactical aviation in existing
17 capacity at Naval Air Station Oceana. Pacific Fleet carrier
18 support aviation is redirected to North Island.

19 The combination of these redirects saves military
20 construction for new capacity at Marine Corps Air Station
21 Cherry Point and Naval Air Station Lemoore, equivalent to the
22 value of an entire Naval air station. The shift in location

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1 and reduction in maritime patrol operations allows the
2 closure of Naval Air Station Adak.

3 The vital asset at Naval Air Station Key West is
4 irreplaceable training air space, so I've recommended
5 realigning it to a Naval air facility to release unneeded
6 excess infrastructure not associated with the operational
7 that raining mission.

8 When considering reserve aviation infrastructure,
9 we focused on the fleet commanders' desire to have the best
10 possible aviation capability in the Northeast Region. The
11 best way to meet fleet operational needs, total force
12 requirements, and reduce excess capacity was to close Naval
13 Air Station South Weymouth and move reserve assets to Naval
14 Air Station Brunswick, Maine. This supports integration of
15 regular and reserve forces, preserves demographics, and gives
16 us the most capable base north of Norfolk to support fleet
17 operations.

18 Depot maintenance is a cornerstone of fleet
19 readiness and of forward presence and power projection
20 sustainment. Our ability to provide the required depot
21 support for our operational forces is critical to ensuring
22 the nation's ability to continue meeting the high operational

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1 tempo associated with contingency operations. Our BRAC '95
2 analysis focused on eliminating excess capacity while
3 ensuring that the right combination of capability and
4 capacity remained to meet fleet operational requirements.

5 The Navy Department's depot capabilities are the
6 most diverse in the Department of Defense and span aviation,
7 surface ships, submarines, and ground combat weapons systems.
8 While excess capacity was fragmented across a large number of
9 diverse categories, significant reductions overall will be
10 achieved through our BRAC '95 recommendations.

11 The smaller force structure, with little relief
12 from operational requirements, dictates a highly responsive,
13 robust industrial management capability at major fleet
14 concentrations. The Department must safeguard a level of
15 nuclear ship repair capability and the ability to meet both
16 scheduled and emergent depot maintenance requirements to
17 support fleet assets forward deployed around the world.

18 Our BRAC '95 depot maintenance recommendations are
19 a continuation of the efforts that began in 1991 and include
20 the closure of ship repair facility at Guam and our last
21 remaining non-nuclear shipyard at Long Beach. The decreased
22 ship depot maintenance requirements associated with a smaller

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1 force and changing deployment patterns enable the closure of
2 these activities, while meeting fleet requirements to support
3 unified commanders' taskings.

4 Additional excess capacity was eliminated through
5 consolidations, divestiture of facilities, and the
6 incorporation of technical center industrial workload into
7 remaining depot activities. These actions, along with
8 previous closures, equate to a reduction of 50 percent of our
9 aviation depots, 64 percent of our shipyards and ship repair
10 facilities, and 64 percent of the depot maintenance functions
11 that were previously located at our technical center
12 activities.

13 The magnitude of these reductions clearly
14 demonstrates the Department's firm commitment to right-size
15 to levels commensurate with future requirements.

16 We applied a great deal of emphasis and energy to
17 the review of our array of technical centers. Our efforts
18 were focused on right-sizing to the appropriate minimum set
19 of sites that would give significant overhead cost reductions
20 while at the same time ensuring that we could pursue
21 essential technologies and develop war-fighting systems
22 capability well into the 21st century.

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1 We tried to match our infrastructure reductions
2 with the changes in numbers and use of our operational
3 forces. Our emphasis was to minimize the amount of top-line
4 money going into the cost of operating and maintaining a
5 large infrastructure and to focus our limited resources on
6 the development, acquisition, and operation of war-fighting
7 systems.

8 The result is a list of recommendations that we
9 feel will significantly improve technical support to the
10 fleet while reducing overhead cost and duplication. We moved
11 depot and industrial functions from the technical centers and
12 return these efforts to the Navy industrial activities or
13 made the decision to depend on the private sector.

14 An example of this industrial consolidation is our
15 recommended closure of the Naval Surface Warfare Center Crane
16 Detachment, Louisville, Kentucky. This action consolidates
17 ships' weapons systems -- primarily guns and associated
18 equipment -- with the general industrial workload at Norfolk
19 Naval Shipyard, which already has many of the required
20 facilities.

21 This functional workload distribution also offers
22 an opportunity for cross-servicing large gun barrel plating

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1 functions to the Army Watervliet Arsenal in New York.
2 Likewise, the closure of the Naval Air Warfare Center,
3 Aircraft Division, Indianapolis, Indiana moved similar types
4 of workload into Naval Surface Warfare Center, Crane,
5 Indiana; Naval Air Warfare Center, Weapons Division, China
6 Lake; California; and the Aircraft Center of Excellence at
7 Patuxent River, Maryland.

8 By these consolidations, we also realized both a
9 reduction in excess capacity and major reductions in cost.

10 Obviously, Mr. Chairman, the closures were
11 difficult decisions; but the reduction of excess capacity,
12 the relocations of functional workload to activities
13 performing similar work, and the economies that will be
14 gained in the management of these similar functions demanded
15 our consideration.

16 Our recommendations both reduce our technical
17 infrastructure and result in significant savings to the
18 taxpayer and the Department of Defense without impeding our
19 ability to provide the forward presence, power projection,
20 and war-fighting responsibilities for which we are
21 responsible.

22 Operational educational flexibility was the key to

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1 the Department's examination of existing capacity within the
2 training establishment. To support the smaller force levels
3 dictated by the force structure for 2001, it might appear
4 that we could dramatically shrink our capacity.

5 However, we were concerned that our training
6 activities be able to support fleet operational requirements
7 and allow sailors and marines to be trained in their home
8 ports. Accordingly, we eliminated excess aviation training
9 capacity by closing and realigning two training air stations
10 to take advantage of the full air space and ground support
11 synergies at the West Florida and South Texas complexes.

12 We also realigned schoolhouse training activities
13 to be more responsive either to the fleet or to follow-on
14 training opportunities. The result of these actions are
15 centralized, economically based training center complexes
16 which serve fleet, sailors, and Marines.

17 Our recommendations result in educational
18 institutions, fleet training centers, and training air
19 stations which provide personnel-oriented, family supportive
20 training complexes that meet requirements for today and the
21 future.

22 In the "personnel support - other" category, the

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1 Department evaluated the changes that were necessary to
2 reflect force downsizing and closures. The focus in Reserve
3 centers was to retain an infrastructure that supports the
4 Reserve force that is robust, demographically sound, and
5 supports fleet readiness.

6 For Administrative activities, we pursued further
7 streamlining to eliminate excess and support the President's
8 National Performance Review. Reduction of management layers
9 continues and further refines the process begun by the
10 Department in BRAC '93.

11 Our recommendations resize the Reserve
12 infrastructure by closing 11 Reserve centers. These
13 closures, in conjunction with BRAC '93 recommendations,
14 maintain a presence in each state, maintain a demographically
15 sound Reserve establishment, and are supportive of the fleet
16 Reserve recruiting and readiness.

17 Six actions are recommended for administrative
18 activities, which reflect a concerted effort to balance the
19 need to reduce infrastructure against that of supporting
20 force readiness.

21 The redirect of Space and Naval Warfare Command
22 Headquarters to San Diego is an example of the effort to

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1 create a synergy between the Navy's Headquarters Commands and
2 the fleet. This redirect consolidates a command activity
3 with its technical activity in an area of fleet
4 concentration. It co-locates those providing the requirement
5 with those having the requirement and eliminates one entire
6 management layer.

7 This action will allow translation of fleet
8 requirements into a product that functions in the operational
9 environment with minimal delays.

10 With these recommendations, I am happy to report
11 that our BRAC '95 goals have been achieved. They reflect the
12 closure or realignment of 62 Department of the Navy
13 activities. Annual savings will exceed \$600 million per year
14 with a net present value of savings of \$8.5 billion over 20
15 years.

16 These actions should be viewed in conjunction with
17 the significant actions undertaken by the Department during
18 BRAC '93 where our actions result in an annual savings of
19 \$1.4 billion and net present value of savings of \$9.7 billion
20 over 20 years.

21 While this round of base closure evaluation was
22 underway, the Department of the Navy continued the process of

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1 implementing the prior three rounds of BRAC decisions. For
2 fiscal years 1996 and 1997, we have requested over \$3 billion
3 to execute our base closure program.

4 Ninety-eight Navy and Marine Corps bases were
5 identified for closure in the previous three rounds. Thirty-
6 eight other bases were selected for realignment. Of the
7 original 98 bases, 49 have been closed and 11 others have
8 been realigned.

9 We would like to be further along on implementing
10 these decisions, but we have been hampered by less than
11 adequate funding. These resource limitations have restricted
12 our ability to close facilities in a timely manner and have
13 delayed our expected savings. These delays not only
14 jeopardize force modernization, they also delay return of
15 these facilities to productive civilian use.

16 With our BRAC '95 recommendations, Mr. Chairman,
17 the Department of the Navy also anticipates considerable
18 savings once the actions are realized. Obviously, if the
19 implementation process is delayed or full funding is not
20 received, the savings we have projected will not be realized.

21 We already expect and we are basing our Department
22 budget projections on the realization of \$1.9 billion per

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1 year in savings from earlier BRAC rounds. It is, therefore,
2 absolutely vital that we stay the course. We must make these
3 suggested cuts in excess infrastructure. Our future
4 readiness depends on it.

5 The base realignment and closure process, and you
6 and your colleagues had the foresight to envision when you
7 gave us these tools, have come a long way from those early
8 days of 1998, which I know you remember well, Mr. Chairman.
9 I can fully assure you that our process of selection has been
10 as accurate, fair, responsible, and responsive as we could
11 possibly make it.

12 As in previous rounds, Mr. Chairman, this is a very
13 painful process. We are saying goodbye to trusted friends
14 and dedicated communities. They have nurtured and adopted
15 our bases. They have fed and housed our troops. They have
16 entertained and counseled our families during those long
17 absences for which our maritime forces are well known. They
18 were always there to welcome us home and to honor those who
19 gave all they had to give.

20 Because of this longstanding relationship, I
21 believe the efforts of your committee are critical in
22 ensuring the citizens of these communities that the correct

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1 decisions have been made.

2 Throughout the nation, we are seeing the successful
3 re-utilization of our Navy and Marine Corps installations.
4 Local leaders are implementing plans to diversify the use of
5 land and facilities closed and realigned under previous BRAC
6 actions. We are confident that, with the President's five-
7 part Community Reinvestment Program, we can work together
8 with communities to create new jobs. You can be confident
9 that we will do everything we can to work with those affected
10 to revitalize our communities.

11 Mr. Chairman, I'll be happy to respond to your
12 questions along with the other members of my panel. Thank
13 you very much.

14 CHAIRMAN DIXON: I thank you, Mr. Secretary. We're
15 delighted to have with us Admiral Jeremy Boorda, the Chief of
16 Naval Operations. Admiral Boorda, thank you for being with
17 us this morning.

18 ADMIRAL BOORDA: I'm glad to be here this morning.
19 I don't have an opening statement. I'd like to reserve the
20 time to answer your questions.

21 CHAIRMAN DIXON: We thank you for that, Admiral.
22 Thank you very much.

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1 General Carl E. Mundy Jr., the Commandant of the
2 Marine Corps. Thank you for being with us, General Mundy.

3 GENERAL MUNDY: It's a privilege to be here, Mr.
4 Chairman.

5 CHAIRMAN DIXON: Thank you, sir.

6 GENERAL MUNDY: I have no opening statement and I'm
7 prepared to respond to your questions.

8 CHAIRMAN DIXON: That's very kind of you. Thank
9 you, General.

10 We have with us the Honorable Robert B. Pirie Jr.,
11 Assistant Secretary of the Navy for Installations and
12 Environment.

13 MR. PIRIE: Thank you, Mr. Chairman. Like my
14 colleagues, I am honored to be here. I have a long statement
15 regarding the process, and an illustrative example to submit
16 for the record. With your permission, I will run as rapidly
17 as I can through the illustrative slides, to give you some
18 flavor of how the Navy went about preparing its
19 recommendations.

20 CHAIRMAN DIXON: Thank you. Your statement will be
21 reproduced in the record in full, and if you would care to
22 show your slides now, we would be delighted to have it, Mr.

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1 Secretary.

2 Could you talk into the microphone a little bit
3 more directly? I think it would be helpful to the audience.
4 Thank you. You're very kind.

5 MR. PIRIE: Thanks, Mr. Chairman.

6 The point of this slide -- and it simply reiterates
7 what the Secretary said in his testimony -- is that there are
8 no numerical goals at which we were aiming in this round. We
9 were simply attempting to develop the structure that with
10 support our Naval forces and operations for the 21st century.

11 Next slide, please.

12 This is, as you saw before on the map, a list of
13 the major closures and, as you will see, we leaned heavily on
14 technical centers, research and development activities, and
15 the like.

16 Next slide, please.

17 No denying the budgetary pressures which impel us
18 to look for savings in the infrastructure. The yellow line
19 shows you the budget in constant dollars. The blue bar is
20 the numbers of installations. As you notice, the number of
21 installations that we project is fairly closely correlated
22 with the personnel who remain.

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1 Next slide, please.

2 The Secretary of the Navy established formally an
3 organization which consisted of the Under Secretary and
4 overall charge, a Base Structure Evaluation Committee, or
5 BSEC, to make recommendations to him, and a Base Structure
6 Analysis Team, or BSAT, to do analyses and to support the
7 deliberations of the BSEC.

8 You will note that the Office of General Counsel
9 and the Navy Audit Service were intimately involved in this
10 process from beginning to end.

11 Next slide, please.

12 This is our BSEC. The point of this slide is that
13 these are fairly senior individuals who represent long
14 service in the government and have a good deal of experience
15 in the matters which came before it.

16 Next slide, please.

17 The BSAT, which numbered up to 50 people in full
18 cry, was also a very solid, professional organization and
19 consisted of such individuals as the former director of the
20 Navy Labs, the former commander with oversight of the Navy
21 aviation repair depots, a commanding officer of a Naval air
22 station, and a commanding officer of a Naval aircraft

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1 carrier.

2 Next slide, please.

3 The point of this is not just to call attention to
4 the complexity of the process but to underscore the point
5 that the Secretary of the Navy made that, throughout the
6 process, the commanders in chiefs and their representatives,
7 the systems commanders, their representatives, the assistant
8 secretaries of the Navy, were involved, and this was a highly
9 intricate process.

10 Also, you will note a point that I want to make is
11 that military value computations occupy a slot somewhere in
12 the middle of the process, not the end of the process, simply
13 a way of beginning it.

14 Next slide, please.

15 At the beginning of the process, the BSEC solicited
16 and received from the owners and operators, the commanders in
17 chief, assistant commanders, policy imperatives -- things
18 that they thought were essential characteristics to retain in
19 the base structure. Those were boiled down into 37 principle
20 policy imperatives with themes, as you see, as depicted
21 there.

22 Next slide, please.

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1 As the Secretary said, we broke down some over 800
2 installations into five major categories and 27 sub-
3 categories, for the purposes of comparison in deciding which
4 should be compared to which.

5 Next slide, please.

6 Data calls were developed, first, to determine
7 whether we had, indeed, excess capacity in the various
8 categories and subcategories, and secondly, to determine
9 military value.

10 We recognize that the process of determining a
11 single number which captures all of the many complex aspects
12 of an installation to rank it in terms of military value is
13 an exceedingly difficult intellectual and analytical task.
14 The military value data calls provided the underpinnings
15 which resulted in the aggregation of literally thousands of
16 different kinds of questions you might ask about the
17 characteristics of the installation, the purpose of producing
18 a single number for a ranking.

19 Next slide, please.

20 These are the kind of things we looked at in
21 capacity analysis. Each of the 27 sub-categories was
22 analyzed to make a determination of excess capacity, for

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1 purposes of deciding whether to proceed further with analysis
2 of military value for those installations.

3 Next slide, please.

4 We have discovered, in the course of capacity
5 analysis, that we had a good deal of excess capacity in the
6 Department. The point that I want to make here is that the
7 excess capacity is not evenly and smoothly distributed. It's
8 lumpy.

9 Often, one finds that you're faced with choosing
10 either to retain some excess capacity or, if you go the next
11 step, you run into a deficit of capacity.

12 Next slide, please.

13 In the case of the shipyards, which is the
14 illustrative example that I'd like to talk about, our
15 capacity analysis indicated that we had substantial excess
16 capacity in the categories listed here.

17 Next slide, please.

18 The findings of excess capacity led us, in the case
19 of 19 of our 27 sub-categories, to proceed to analysis of
20 military value. In the case of military value, as I said
21 before, it is a very difficult process of taking a lot of
22 yes-no questions, assigning to them weights and scores, and

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1 coming up with a single relative measure of the value of the
2 installation.

3 Next slide.

4 This just illustrates further the military analysis
5 process. Questions were developed which cover all of the
6 areas and they were grouped into subject areas. You can see
7 some of the kinds of questions and some of the subject areas
8 for Naval shipyards illustrated there on the left. The
9 numbers in the columns on the left-hand side refer to
10 specific locations in the data calls for purposes of
11 reference.

12 The Base Structure Evaluation Committee approved
13 each of the questions that was assigned and, of course, their
14 segmentation into categories and the like. The questions
15 were then banded and you see on the left there -- by the way,
16 these are not all the questions, by any means. This is
17 simply illustrative.

18 But the questions were then banded, as part of a
19 two-stage process of scoring a question. On the left, you
20 see assignment to bands of relative importance.

21 Next slide.

22 Having decided on the questions and the importance

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1 bands, the next stage of the process involved assigning
2 military value criteria weights. If you'll notice the
3 columns labeled R, F, M, and C, those refer to the four
4 criteria of military value:

5 Criterion 1, readiness and strategic value;
6 Criterion 2, facilities; Criterion 3, mobilization potential;
7 and Criterion 4, cost and manpower.

8 The BSEC decided, with respect to Naval shipyards,
9 which of those criteria was more important, and assigned the
10 weights that you see to them there.

11 Next slide, please.

12 And, having decided the weights, the questions were
13 then scored within bands. For example, Band 1 ran from 10 to
14 7. Each one was assigned a particular score indicating its
15 importance and a decision was made whether the question was
16 relevant to the military value criterion that you see.

17 Having done all that work, a simple mathematical
18 calculation assigned a number to each question. For example,
19 if a Naval shipyard can answer the question that it drydocks
20 a CVN or CV, it gets 1.94 points toward a cumulative military
21 value score.

22 You'll note that there was judgment involved in

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1 deciding what questions to ask. There's judgment involved in
2 scoring and weighting the questions. But, to this point, we
3 have not referred to any particular installations. This is
4 done without sort of peeking ahead to what the answer might
5 be, and we don't plug in the particular installations until
6 this is done and the BSEC is satisfied that these scores are
7 not in violation of common sense.

8 Next slide, please.

9 Finally, the yes-no answers from the particular
10 installations are plugged in and scores are derived from
11 them. As you can see, in this particular example, the
12 drydocks and cost and manpower factors and production
13 workload yield different scores for the different
14 installations. Once again, these are just illustrative.

15 Next slide, please.

16 Finally, the accumulation of all this leads to a
17 single military value score for each installation. You'll
18 notice here that the two major shipyards -- Norfolk and Puget
19 Sound -- have scores well up into the 50s. The ship repair
20 facility in Guam is considerably lower at 24; Pearl Harbor,
21 44.7; and Long Beach and Portsmouth are quite close but
22 you'll note that Portsmouth Naval Shipyard is two tenths of a

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1 point lower than Long Beach in military value.

2 Next slide, please.

3 Now, military value is not the end of the process,
4 by any means, nor do we simply do a simple cut by military
5 value. The criterion for the Base Structure Evaluation
6 Committee is not to maximize military value. It is to reduce
7 excess capacity consistent with retaining average military
8 value at least as high as going in and, therefore, a more
9 sophisticated and powerful analytical tool is required to
10 meet that criterion.

11 That tool is depicted here in the slide that says
12 "Configuration Analysis." It comes up with an optimum
13 solution that minimizes excess capacity while maintaining
14 average military value.

15 Next slide, please.

16 It sounds, up to this point, as if there are a lot
17 of black boxes here. There's the military value matrix;
18 there's the configuration analysis linear programming model.
19 But, in fact a considerable amount of professional judgment
20 is exercised by the Base Structure Evaluation Committee as
21 the process then develops, because we're talking about simply
22 the beginning of the deliberative process.

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1 Next slide, please.

2 The configuration analysis gives us the basis on
3 which to develop what are called scenarios. That is, if
4 there's a configuration analysis that suggests a set of bases
5 to be closed, the BSEC then reviews a number of options for
6 closure and develops scenarios that specify how the closures
7 are to be implemented.

8 Next slide, please.

9 The scenarios, of course, set the stage for the
10 analysis of return on investment by use of the DOD COBRA --
11 cost of base realignment action model.

12 Next slide, please.

13 In the case of the shipyards, the configuration
14 model rules were that we would minimize excess capacity and
15 maintain average military value. Those were standard rules
16 for all --

17 CHAIRMAN DIXON: May I interrupt you for a minute,
18 Mr. Secretary?

19 MR. PIRIE: Yes.

20 CHAIRMAN DIXON: My friend, the slide flipper, the
21 one that you just took down on the left, I want to return to.
22 Please save it.

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1 Proceed, Mr. Secretary.

2 MR. PIRIE: As I was going to say, the standard
3 rules for configuration models are to minimize excess
4 capacity and maintain average military value. For shipyards,
5 additionally, the rules are that nuclear work can be
6 accomplished only at nuclear yards and nuclear capacity can
7 be used to do both nuclear and non-nuclear work.

8 The configuration analysis produced an optimum
9 solution set that said close Portsmouth, Long Beach, and
10 Guam. You'll note that then reduced us to an excess capacity
11 there in the second column from the right of 1 percent,
12 fairly close, essentially zero.

13 Having done the configuration analysis, the BSEC
14 then proceeds to the selection of a closure scenario, and the
15 scenario data calls produce the cost of closure.

16 In the case of the shipyards, the BSEC decided that
17 1 percent was not an adequate margin of safety for excess
18 capacity in shipyards. The BSEC was mindful that we had
19 closed two nuclear shipyards in the '93 round, that the
20 Portsmouth facility represented a unique facilitated
21 capability to repair, refuel 688-class submarines, and the
22 decision was made to close Long Beach and the SRF Guam, but

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1 to retain Portsmouth open.

2 In addition, the BSEC decided that the docks and
3 piers retained in the '91 closure of the Philadelphia
4 shipyard as mobilization and surge assets could be released
5 and that there was considerable industrial depot type work
6 being done at technical centers, particular Keyport, that
7 could be reassigned to the shipyard sector, which would
8 further reduce excess capacity in shipyards.

9 Next slide, please.

10 Economic impact analysis is the next criterion
11 required by the Secretary of Defense in the analysis of
12 closure actions. We looked at each of our closure actions
13 with respect to the economic impact. Here, you will see a
14 display relating to Long Beach.

15 Generally, we found that economic impact was not
16 overwhelming in any particular metropolitan statistical area.

17 Next slide, please.

18 Similarly, the impact on local communities,
19 particularly gaining communities, was analyzed to ensure that
20 that did not create difficult situations. Here, we have the
21 rackup for San Diego, which gained a considerable number of
22 activities, both puts and takes and, as you can see, the

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1 judgment by the BSEC was made that this was not a significant
2 infrastructure impact to the community.

3 Next slide, please.

4 Environmental impact analysis was done of each of
5 the closure actions in the categories that you see there, and
6 no significant environmental impacts were identified for any
7 scenario.

8 Next slide, please.

9 We, throughout these actions, eliminated
10 substantial excess capacity, and this is just an exemplary
11 slide.

12 Next slide, please.

13 There are the numbers of actions and the
14 anticipated savings.

15 Mr. Chairman, in conclusion, let me add a plea
16 that, in your recommendations as you find them, we have found
17 in the implementation process that flexibility with respect
18 to the options of military commanders to assign forces to the
19 regions that they think best meet the imperatives that they
20 face is very useful, so that specificity of language does not
21 always serve that purpose.

22 To step back and take off my BSEC base closure hat

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1 and put on my installations and environment hat for one
2 moment, when you have made your decisions, it will be my
3 responsibility to assist communities to re-utilize the
4 properties that we will turn over to them.

5 Sensitivity toward wording the recommendations in
6 ways that allow us maximum flexibility to deal with the
7 communities and turn over the property in forms that best
8 suit their re-utilization needs would be very, very helpful.

9 Thank you, Mr. Chairman.

10 CHAIRMAN DIXON: I certainly thank you for your
11 remarks, Mr. Secretary, and the very useful charts, which are
12 helpful to us.

13 Mr. Charles Nemfakos has been around the process a
14 long time. I'm personally acquainted with Mr. Nemfakos. Is
15 there anything you'd like to add, before we go to the line of
16 questioning?

17 MR. NEMFAKOS: No, sir.

18 CHAIRMAN DIXON: We thank you for being here.

19 If my friend over there would put back on the
20 screen -- let me say to the witnesses that the Chair had the
21 obligation to ask all the questions last week because the
22 Senate had not yet confirmed my colleagues, so I'm not going

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1 to ask very many questions today. My colleagues will do the
2 questioning.

3 They have asked me to begin with a certain type of
4 general question for each of the witnesses but, even before I
5 get to that, because of the striking obviousness of this, I
6 am compelled to ask you, Mr. Secretary, that when one looks
7 at this, one sees that, albeit by a very small amount, but at
8 least clearly on your chart, Portsmouth, at 37.8, is even
9 lower than Long Beach at 38.

10 If one talks, as we do here, about doing this on
11 the numbers, how do we justify closing Long Beach and leaving
12 open Portsmouth?

13 MR. PIRIE: As I attempted to point out, Mr.
14 Chairman, the military value ranking is not the end of the
15 process, indeed not even the beginning of the deliberative
16 process. It is simply one way of assigning measures to these
17 things.

18 Our objective here is to reduce excess capacity,
19 it's not to maximize military value. It is the configuration
20 analysis that identifies -- Mike, put up the configuration
21 analysis slide.

22 The configuration analysis slide identifies the

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1 opportunities for closure, which are then evaluated in
2 scenarios which establish the conditions under which they
3 would be closed, the receiving installations, and so forth,
4 and they are then analyzed for return on investment.

5 You can see, Long Beach is identified in all of the
6 analytical runs in the configuration model. The primary,
7 secondary, and tertiary runs are done in the following way,
8 that the optimal solution is derived in the primary. Then
9 the model is told it can't use that solution, find another
10 one, the most optimal after that; and then the tertiary, in a
11 similar way.

12 Long Beach was identified in all three of the
13 configuration model runs. It is not a nuclear shipyard. It
14 is confined to strictly non-nuclear work. So it was chosen
15 before Portsmouth on the basis of being non-nuclear, of
16 having shown up in the runs of the configuration model in all
17 three of the runs, and simply as an asset that, if you're
18 weighing it, Long Beach against Portsmouth, Portsmouth was
19 more desirable, nuclear capability, and to be retained.

20 MR. NEMFAKOS: Mr. Chairman, just to amplify a
21 little bit, as Mr. Pirie suggested earlier, because of both
22 nature of the types of activities and forces being placed at

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1 Navy activities, the geographical necessity of coast and
2 coast arrangements, we determined, in the '93 round of base
3 closure, that a simple racking and stacking mechanism would
4 not do justice to our ability to both evaluate the activities
5 and get rid of excess capacity.

6 The technique that we used in the '93 round of base
7 closure that was reviewed by the GAO and confirmed as
8 appropriate and that we have used again this time is a
9 technique that looks at the military value, because that is
10 the key ingredient, and then ensures that our average
11 military value for all activities of a sub-category remains
12 at least as good when we get through closing activities as it
13 was before.

14 So, more directly answering your question on why
15 Long Beach, why not Portsmouth, the answer is that, while the
16 Long Beach activity has, because of the nature of the kind of
17 work and that kind of thing, in terms of accumulating scores,
18 on a one-for-one basis, a .2 differential.

19 When one looks at our approach across all
20 activities, the average military value of our Naval shipyards
21 goes up over where it was in the start of this process and,
22 therefore, we have satisfied, we believe, the need to weigh

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1 military value. The military value for the subcategory
2 shipyards is better when we get through with this process
3 than it was going in.

4 ADMIRAL BOORDA: Mr. Chairman, if I might, may I
5 just add to Mr. Nemfakos' comments? In a very simple-minded,
6 sailor's way, let me simply say these are apples and oranges.
7 One is on the East Coast, one is on the West Coast; one
8 repairs surface ships, non-nuclear, the other does primarily
9 submarine nuclear work with heavy emphasis on refueling.
10 These are not the same things.

11 CHAIRMAN DIXON: Well, the Chair appreciates the
12 simplicity of your response and I thank you for it. A man
13 from Kankakee, Illinois, can easily put these things in
14 perspective, and we appreciate that, Admiral.

15 Now that we are down at the more simplistic level,
16 it will probably amaze everybody to understand that the Chair
17 did know that one was on the East Coast and one was on the
18 West Coast.

19 (Laughter.)

20 CHAIRMAN DIXON: I was up to that speed.

21 SECRETARY DALTON: If I might just add one other
22 thing, if I could, Mr. Chairman?

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1 CHAIRMAN DIXON: Mr. Secretary.

2 SECRETARY DALTON: That is, Portsmouth Naval
3 Shipyard was considered for closure. It is the only yard
4 which currently supports all our SSN688 class submarines,
5 where we do refueling, defueling. And we had closed two
6 nuclear shipyards in the BRAC '93 round of closure in
7 Charleston and Mare Island, and those considerations were
8 part of our decision-making, as well.

9 CHAIRMAN DIXON: I thank you, Mr. Secretary.

10 The obvious point of this, and I'll not belabor it,
11 because we'll return to it many times and our staff will be
12 visiting with you many times about it, and I do understand
13 what you're saying about the distinction between the two
14 places, because if you laid them down side by side, they
15 don't do exactly the same kind of thing for you and we
16 understand that.

17 But, obviously, the concern that we would have is
18 that a great many of us have been saying right along we're
19 not going to do a lot of add-ons to the detriment of the
20 country. So, quite obviously, when we lay these down side by
21 side and we look at the hard numbers and do the analytical
22 evaluation that's required doing that, obviously, when you

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1 look at the numbers there, it's hard to justify, I would say
2 just on the numbers, without an other considerations, closing
3 Long Beach and keeping Portsmouth open.

4 I'm sure that you will be prepared to visit at
5 length with our Naval team chief and others, and staff
6 people, to satisfy everybody that everyone can be comfortable
7 with the decision process here. Nobody questions the fact
8 that you have to apply common sense judgment calls after you
9 have all the numbers. We do understand.

10 Now, let me simply ask these questions, and then go
11 to my colleagues. My colleagues have asked me to do this of
12 each of you before we get into the process, because it is a
13 matter that has been raised sufficiently often that we need
14 to do it in the course of getting to the ultimate facts here.

15 I'll start with you, Mr. Secretary, because you
16 were the first witness.

17 Mr. Secretary, did the Office of the Secretary of
18 Defense remove or add any installation closures or
19 realignments from your recommendations to the Secretary?

20 SECRETARY DALTON: No, sir.

21 CHAIRMAN DIXON: Mr. Secretary, did anyone in the
22 Administration instruct you not to place any specific

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1 installations on your list to the Secretary of recommended
2 closures and realignments?

3 SECRETARY DALTON: No, sir.

4 CHAIRMAN DIXON: Mr. Secretary, did the Office of
5 the Secretary of Defense instruct your service to place or
6 not to place any specific installations for closure or
7 realignment on your listed recommendations to the Secretary?

8 SECRETARY DALTON: No, sir.

9 CHAIRMAN DIXON: Mr. Secretary, did you or the
10 Office of the Secretary of Defense remove -- remove -- any
11 installations from the recommendations solely for reasons of
12 environmental or economic impact?

13 SECRETARY DALTON: No, sir.

14 CHAIRMAN DIXON: Now, in that connection, one is
15 compelled to ask further, in connection with the Navy's
16 statement in its book that -- where's the book? Thank you.

17 Mr. Secretary, Department of the Navy Analysis and
18 Recommendations, Volume 4, March 1995, Page 2. Staff is
19 concerned about this. Because of the large number of job
20 losses occurring in California and Guam, and DON decided
21 against recommending several closures that could otherwise
22 have been made, and so forth.

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1 Does that in any way stand at odds with your answer
2 to my question, sir? And please don't think we're picking on
3 you.

4 SECRETARY DALTON: No.

5 CHAIRMAN DIXON: We've got to have these things
6 analyzed, of course, and we need to ask them for the record.

7 SECRETARY DALTON: I don't think you're picking on
8 me at all. It's a very legitimate question.

9 In my response to your question, I thought you
10 asked did the Secretary or Office of the Secretary of Defense
11 ask me to remove anything from my list; and the answer to
12 that is no.

13 I decided to make some environmental impact --
14 excuse me -- economic impact decisions as it related to the
15 State of California and, in my final list, when I looked at
16 the overall impact of job loss of BRAC '93 and BRAC '95 --
17 and I'll be happy to present that for your consideration --
18 but when you combined what was being recommended for the
19 State of California with what had been done in BRAC '93, we
20 were looking at some 30,000 job loss in that state.

21 I asked our BSEC to go back and re-analyze, revisit
22 the State of California, and they came back to me and showed

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1 me the some \$2 billion in savings over a 20-year period that
2 would be realized from Long Beach. I decided to leave Long
3 Beach on the list of recommendations, but I decided, in my
4 recommendations to the Secretary of Defense, to remove some
5 other installations from that list, and I'll be happy to tell
6 you what they are, if you'd like to have those.

7 CHAIRMAN DIXON: First, may I intercede and say
8 that you are quite correct in suggesting that your answer was
9 perfectly accurate to my question and I thank you for
10 enlarging it by suggesting that it was your own individual
11 decision, not one brought to you either by the Administration
12 or someone in the Office of the Secretary of Defense, but
13 your own decision.

14 Is that what you're telling me, Mr. Secretary?
15 And, of course, the Chair has no problem with that. Would
16 you be kind enough to tell us, for the record, what that
17 decision was?

18 SECRETARY DALTON: Yes, sir. When I did review the
19 other installations involved, I decided not to recommend to
20 the Secretary that we close Naval Warfare Assessment Division
21 in Corona, California; the Supervisor of Shipbuilding,
22 Construction, and Repair in San Francisco; the Western

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1 Division Naval Facilities Engineering Command in San
2 Francisco; and the Fleet and Industrial Supply Center in
3 Oakland.

4 I made that decision after consulting with Mr.
5 Pirie, the Under Secretary of the Navy Mr. Danzig. I also
6 had discussions with Deputy Secretary Deutch and Assistant
7 Secretary Dr. Josh Gotbaum, that you visited with last week.
8 So I got input from a number of sources. The decision was
9 mine.

10 CHAIRMAN DIXON: I thank you very much, Mr.
11 Secretary. It's very helpful. And the staff people, of
12 course, will visit with you and your people about the
13 decisions that were made and we thank you for making it a
14 matter of record so that that can be evaluated. You're very
15 kind to do that.

16 Do any of the other four witnesses want to add to
17 what the Secretary has said in this regard?

18 (No response.)

19 CHAIRMAN DIXON: Then we'll pursue that later at
20 the staff level, and we thank you.

21 Now, then, if I may with you, Admiral Boorda, I
22 would ask you the same questions I've asked the Secretary

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1 and, without going into all of the detail, would your answers
2 be the same -- in other words, to try to establish here that
3 nobody influenced you either at the Secretary of Defense
4 level, the Administration level, or elsewhere, with respect
5 to these decisions.

6 ADMIRAL BOORDA: Yes, sir. My answers would all be
7 no. I had no discussions with anyone in the Office of the
8 Secretary of Defense. My recommendations were all to the
9 Secretary of the Navy and, in fact, I didn't discuss this
10 downstairs until we made our final recommendations.

11 CHAIRMAN DIXON: I thank you. General Mundy, would
12 that be your response, sir, under oath?

13 GENERAL MUNDY: It would, Mr. Chairman.

14 CHAIRMAN DIXON: I thank you, Commandant. Mr.
15 Secretary, would that be yours?

16 MR. PIRIE: Yes. My answer to all those questions
17 is no.

18 CHAIRMAN DIXON: And Mr. Nemfakos?

19 MR. NEMFAKOS: Yes, similar answer, Mr. Chairman.

20 CHAIRMAN DIXON: I thank you all. Now, we are
21 going to go to the question and answer period with my
22 colleagues, who will, in turn ask the questions as we go down

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1 the line.

2 We're going to start with Admiral Montoya, because
3 we believe that he would be in the beset position of any of
4 us in this panel to do a good job and, in recognition of his
5 distinguished career in the Navy, Commissioner Montoya is
6 going to begin our questioning this morning. Admiral
7 Montoya.

8 COMMISSIONER MONTOYA: Thank you, Mr. Chairman.
9 Secretary Dalton, gentlemen, good morning. I am delighted to
10 be among former shipmates and I think, in starting the
11 process, good friends.

12 (Laughter.)

13 COMMISSIONER MONTOYA: And, Admiral Boorda, I'm
14 delighted to personally congratulate you on becoming Chief of
15 Naval Operations. Mr. Chairman, this is a man I've known for
16 a long time, and he's a strong, strong man. The Navy is in
17 strong hands, but very soft hands -- a fine man.

18 CHAIRMAN DIXON: A Kankakee, Illinois man.

19 COMMISSIONER MONTOYA: Oh, is he?

20 CHAIRMAN DIXON: A Kankakee, Illinois man.

21 COMMISSIONER MONTOYA: Let me rephrase.

22 (Laughter.)

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1 ADMIRAL BOORDA: And I thought I wasn't going to
2 like this hearing. I love it.

3 (Laughter.)

4 COMMISSIONER MONTOYA: Admiral, I'm going to ask,
5 probably, a series of questions as my time permits, around
6 the issue of excess capacity.

7 The first question I'm going to ask is really the
8 umbrella question. When I think of the number 600, I
9 remember how long it's been since I was in the Navy, when we
10 were talking about 600 ships in lots of home ports. In
11 reading the reports -- and correct me if I'm wrong -- I note
12 that a couple of years ago we were thinking about 425 ships
13 by the year 2000 and now we're talking about 344 ships, a
14 reduction of some 20 percent.

15 Yet, in this particular BRAC, I see no reduction in
16 the Naval stations or activities that deal with piers. I'm
17 wondering if you have something else in mind for the future
18 or does this BRAC bring you in balance regarding that
19 particular excess capacity item?

20 ADMIRAL BOORDA: It's going to be hard not to call
21 you "Ben." Mr. Commissioner, I'm happy with where we are.
22 We closed a lot in earlier BRACs and we closed Naval stations

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1 in earlier BRACs. Now, I think we have it about right. We
2 cannot give up any more waterfront, any more pie space, any
3 more installations, and still take care of the Navy today and
4 have a reasonable ability to surge should things go
5 differently in the future.

6 So I'm very satisfied with the Naval station lineup
7 that we would end up with here.

8 COMMISSIONER MONTOYA: So you see this thing pretty
9 much the same for the force structure you see out the next
10 five years?

11 ADMIRAL BOORDA: 346 is the number that we are
12 looking for. That is also the bottom up review number. This
13 lineup would satisfy that number.

14 COMMISSIONER MONTOYA: Secretary Pirie?

15 MR. PIRIE: May I support CNO on that, Admiral
16 Montoya? We looked at closure of some Naval station piers at
17 Little Creek, the sub base New London and the sub base San
18 Diego. In no case did the closure really make ultimate
19 sense.

20 It would have left us in a position where we would
21 have virtually no surge capacity. And you recognize that we
22 do not have pier space to park all the ships in the United

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1 States Navy. We count on substantial numbers of them being
2 constantly deployed. So we're about as tight in piers and
3 waterfront spaces as we think it's prudent to be.

4 COMMISSIONER MONTOYA: Good. Before I yield my
5 time, would you just identify the three or four other major
6 excess capacity areas, Secretary Pirie? I think you
7 mentioned 19 that you had identified, but I wanted to focus
8 on three or four that you have in your mind that you might
9 have to deal with in the future, such as depots.

10 MR. PIRIE: Well, we have substantial excess
11 capacity in the training air stations.

12 COMMISSIONER MONTOYA: In the what?

13 MR. PIRIE: Training air stations, Admiral Montoya.
14 I believe that, after these activities outlined in these
15 recommendations are executed, depot capacity is probably no
16 more excess -- well, we'll have to see how that parses out.
17 But, because of the fact that we moved depot work out of the
18 technical centers that were being closed and into the
19 shipyards, I would be surprised if we have very substantial
20 excess capacity even in shipyards.

21 Charlie, what do you think?

22 MR. NEMFAKOS: I think there is modest excess

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1 capacity in both shipyards and aviation depots, Admiral
2 Montoya.

3 I think you will see -- as the staff goes through,
4 Mr. Chairman, the record, as you indicated -- you will see
5 that there were specific reasons for retaining that, either
6 reasons dealing with being able to support fleet
7 concentration in an area where that particular depot happened
8 to be the only major industrial activity -- Jacksonville is a
9 classic example of that -- or in the context of, for example,
10 the Naval Shipyard, Portsmouth, where capacity turns on as
11 simple a manner as do we perceive the submarine threat to be
12 such that, instead of defueling and laying up 688-class
13 submarines with a lot of life left to them, we make, for
14 national security reasons, the decision to refuel those
15 submarines; and that, then, drives capacity.

16 So there is a modest amount of excess capacity
17 remaining, but it's there for specific reasons and it is
18 covered in the record, sir.

19 COMMISSIONER MONTOYA: Thank you very much, Mr.
20 Chairman.

21 CHAIRMAN DIXON: Thank you, Admiral. We will now
22 have General Robles question.

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1 COMMISSIONER ROBLES: Again, I'm trying to get
2 situation here, because we're sharing a microphone. I
3 welcome all of you this morning and I'm delighted to be a
4 green-suit guy talking to my good friends and colleagues in
5 the Navy and finding out a little more about their
6 activities.

7 Secretary Dalton, we had testimony last week from
8 the Secretary of Defense and other senior Defense officials
9 that the size of the list of recommendations to this
10 Commission was limited by the Department of Defense's
11 management ability.

12 Basically, what they said was: "We've bitten off a
13 lot in the three previous rounds. The amount of closures
14 that are contained in this '94 report are about all we can
15 handle without breaking the force."

16 To what extent were these considerations extant in
17 your determinations of just how much you could handle on a
18 closure, as opposed to truly getting at the excess capacity
19 that exists in the Navy and maybe going a step farther?

20 SECRETARY DALTON: Mr. Commissioner, we went
21 through an exhaustive, comprehensive, but, I think, very
22 professional process that we've described to you this

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1 morning. And the recommendations that were made by the BSEC,
2 we went forward with to our final recommendations, with the
3 exceptions that I have mentioned previously.

4 We think that we are cutting out the excess
5 capacity that we need to in this round and we think that it's
6 important that this be completed and that we have the chance
7 to combine it with the previous rounds of BRAC, those
8 closures, and implement those, and feel like that we will
9 have demonstrated the substantial savings that we've
10 mentioned.

11 I think that it's a good job. I think it's
12 thorough. Everything that we came forward with as a result
13 of the process, we have put on the list, with the exception
14 of the economic impact situation that I referred to in
15 California.

16 So the process was one that was as outlined, and
17 that's what we utilized. I think it was thorough and
18 comprehensive and I'm proud of the work that Department of
19 the Navy did.

20 COMMISSIONER ROBLES: So your answer, bottom line,
21 is managerial considerations, biting off you could chew, was
22 not an issue with respect to the Navy submission?

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1 SECRETARY DALTON: No, sir. The submissions that
2 we have made are as they were presented to me by the
3 Assistant Secretary for Installations and Environment. I
4 might ask if he would like to elaborate further on that. Mr.
5 Pirie?

6 MR. PIRIE: No, I think we did as mandated. We
7 reduced excess capacity to the extent feasible, consistent
8 with the kinds of criteria that you saw relating to what we
9 want left for the Navy base structure for the early 21st
10 century.

11 COMMISSIONER ROBLES: As a related question,
12 harking back to my days as the budget director, you said, I
13 think, in your opening testimony, that a lot of your
14 recommendations were based on the fact that you expected full
15 funding or to get the adequate budgetary dollars necessary to
16 do this.

17 Where were you expecting this full funding to come
18 from -- from your budget requests going forward and hoping
19 that they would be approved or from some special account or
20 from some external source?

21 SECRETARY DALTON: From the budget requests that we
22 have going forward. As I indicated in my statement, we're

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1 asking for some \$3 billion in fiscal year '96 and fiscal year
2 '97 with respect to having the funds to close these bases.
3 It's imperative that those funds come forward.

4 There have been situations in the past when this --
5 I think with respect to the earthquake in California, these
6 funds, some of these funds were diverted for that purpose,
7 and that kind of thing, whereas that certainly was a tragedy
8 and needed to be addressed, I would hope that these funds
9 will not be used for purposes other than for which they are
10 specified in the future, because the recapitalization of the
11 Navy Department in the future depends on our ability to have
12 the savings that would come from this base realignment and
13 closure process.

14 We are counting on it. We are depending on it. We
15 are making decisions expecting that to happen, and it's
16 important that we realize those savings.

17 COMMISSIONER ROBLES: As a follow-up, I got the
18 general impression last week that one of the considerations,
19 at the Department of Defense level anyway, was the fact that
20 it takes significant up front costs to execute any base
21 closure, and we all know that. I remember the days when the
22 O&M account was usually the bill-payer to find the funds to

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1 do this.

2 Do you believe that you are constrained in any way,
3 shape, or form? Could you have done, would you have done
4 more if you didn't have to pay the high up front costs?

5 SECRETARY DALTON: No, sir. The answer to your
6 question is no. I feel good about the fact that over 60
7 percent of the scenarios that we have put forward in this
8 year's round of BRAC closure will have an early, immediate
9 return, and, in some cases, 35 of those 62 are immediate,
10 others within a four-year period. There are a few outside
11 that. But we are emphasizing savings that occur early in the
12 process in this round of BRAC closure and I think we will
13 realize that.

14 So we did not decide to go less far or not to go as
15 far because we were constrained by that process.

16 COMMISSIONER ROBLES: The final question before I
17 pass it to one of my colleagues: I notice that the Navy's
18 list contained a considerable number of redirects, more so
19 than any other service. I guess I'd be interested, and all
20 of us would be interested, in what factors went into
21 determining which redirects you would propose?

22 Is it a function of maybe some past recommendations

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1 for closures were wrong or the environment has changed
2 dramatically since the '93 round or the '91 round? Exactly
3 what were the overriding considerations?

4 SECRETARY DALTON: Mr. Commissioner, there were
5 significant changes that had taken place since the BRAC '93
6 decisions were made. At the time of BRAC '93, we were
7 looking at a Marine Corps, for example, that was going to be
8 the size of 159,000. The bottom up review ended up with a
9 Marine Corps of 174,000. So that was a consideration with
10 respect to the Marine Corps.

11 But the redirects, as far as the Navy is concerned,
12 had to do, in large measure, with aviation. At the time, the
13 A6 was a significant aircraft in the fleet. It is now almost
14 phased out, will be phased out by '97. We have about one-
15 third fewer of our maritime patrol aircraft inventory. We
16 have about 50 percent of the F-14s inventory today than we
17 had in '93. Additionally, the number of F-18 squadrons have
18 been reduced from that time.

19 So our aviation community is smaller and that
20 afforded us the opportunity to have some redirects, for
21 example, with respect to what originally was planned in
22 moving from Cecil Field to other places, and that allowed us

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1 to make the decisions that we made with respect to Oceana and
2 single-siting the F-14s at Oceana in one place.

3 I think it would be a question of what has happened
4 to the Navy Department since then, economies that we could
5 realize as a result of that, and also, in some cases, giving
6 us the opportunity to coordinate training activity in one
7 location, and also saving significant dollars with respect to
8 avoiding military construction.

9 I think that our redirects afford us the
10 opportunity to save approximately a billion dollars in
11 avoiding military construction as a result of those
12 redirects.

13 COMMISSIONER ROBLES: Thank you, Mr. Secretary. My
14 time is up. I yield the floor to the Chairman.

15 CHAIRMAN DIXON: Thank you very much, Mr.
16 Secretary. I'm now delighted to recognize, for the next
17 round of questioning, Mrs. Wendi Steele, a former
18 distinguished staff member of BRAC, who probably knows more
19 about the process than any of us. Mrs. Steele.

20 COMMISSIONER STEELE: Thank you, Mr. Chairman. Mr.
21 Secretary, going back to quote the Chairman read earlier,
22 regarding California and Guam being excluded, I was

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1 wondering, one, how the threshold was established and did you
2 take into account cumulative economic impact or was it based
3 on your recommendations for this round alone?

4 SECRETARY DALTON: It did include a cumulative
5 economic impact, and we did not use any thresholds.

6 COMMISSIONER STEELE: Secondly, were bases added to
7 this list as substitute for bases that you mentioned that
8 were not put on this list?

9 SECRETARY DALTON: No.

10 COMMISSIONER STEELE: Thirdly, how many Navy jobs
11 would have been lost if those facilities had been closed and
12 what savings did the Navy sacrifice to keep these open?

13 SECRETARY DALTON: In the case of the savings, the
14 four California activities not closed involved the loss of
15 approximately 1,720 direct military and civilian jobs. The
16 one-time cost associated with these four actions totaled
17 approximately \$107 million and the annual savings were
18 approximately \$45 million.

19 COMMISSIONER STEELE: Thank you. We haven't gotten
20 into this very in-depth yet. I believe some of the other
21 Commissioners plan to. But regarding depots and inter-
22 servicing, are you concerned that the Air Force's decision to

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1 downsize all five ALCs might result in an increased per-unit
2 cost which would discourage the Navy from future increases in
3 inter-servicing?

4 SECRETARY DALTON: We think the inter-servicing
5 makes sense. I think the Navy Department does a fine job
6 with inter-servicing and with what we do with respect to
7 exporting work. I think Mr. Pirie, I'd like perhaps for him
8 to elaborate further on that.

9 MR. PIRIE: The Air Force made its decisions based
10 on its own considerations, and I'm not in a position to
11 comment on those.

12 We, as the Secretary says, in fact lead all
13 services in inter-servicing depot maintenance-type work, but
14 we do it on a fairly hard-headed basis. That is, we inter-
15 service where it is advantageous to us in cost so that if the
16 costs of any particular options go up, then they'll compete
17 less well with out-sourcing or doing it in our own
18 facilities.

19 COMMISSIONER STEELE: Thank you. Switching to
20 shipyards, does your statistic that closing three shipyards
21 would leave 1 percent excess capacity remaining take into
22 consideration private sector capabilities on the East Coast

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1 and the West Coast?

2 SECRETARY DALTON: We expect some work -- where we
3 can take advantage of private sector use, we plan to. We
4 think that makes sense. With respect to the 1 percent, I
5 really don't -- I will ask Mr. Pirie if he will --

6 MR. PIRIE: No. That is strictly inside the Navy
7 calculation. We do not look at private sector capabilities
8 when doing the BRAC analyses.

9 COMMISSIONER STEELE: It was reported that the
10 President told a New Hampshire audience that Portsmouth Naval
11 Shipyard would likely not be closed. Did the President's
12 public commitment in late January remove Portsmouth from
13 further consideration?

14 SECRETARY DALTON: No.

15 COMMISSIONER STEELE: I figured we covered that,
16 but I just wanted to double check.

17 Mr. Chairman, you had mentioned earlier that if
18 Members of Congress had questions, that we would ask them on
19 their behalf. We the received some questions from
20 Congressman Underwood which I would like to ask on his
21 behalf.

22 CHAIRMAN DIXON: Please do.

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1 COMMISSIONER STEELE: Mr. Secretary, by DOD's own
2 figures, the potential impact for Guam in direct job loss is
3 10 percent of all existing jobs on Guam, with the possibility
4 of impacting 25 percent of the total jobs in the economy.
5 This is an incredible price to pay, the Congressman says,
6 which would be intolerable to any stateside community. How
7 did this economic impact factor lead to your decision or
8 affect it in any way?

9 MR. PIRIE: The job loss in Guam is major.
10 However, it may very well be overstated by those figures. A
11 substantial number of those jobs are from the maritime
12 prepositioning ships and other kinds of assets that are not
13 necessarily people located and working in Guam but simply
14 there on a transient basis.

15 Compared with the savings to be achieved and the
16 fact that we still retain a major presence on Guam -- over
17 1,000 people at the NAVCOM stay; we left the hospital open;
18 and in recognition of the fact that this was a pretty hard
19 hit, we also kept the public works center open on Guam, which
20 is normally a follower activity to the other things closed.
21 However, Public Works Center, Guam also does work for
22 Anderson Air Force Base, so we decided to leave that there,

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1 as well.

2 Bottom line, yes, Guam was hit very hard, but we
3 believe that the process was fair and we think that 10
4 percent probably overstates the magnitude of the hit.

5 COMMISSIONER STEELE: This question is my own, not
6 the Congressman's, but I understand in the past that the
7 government of Guam has discouraged the Navy from expanding
8 near the airport. Did that influence the Navy's decision at
9 all, regarding Guam?

10 MR. PIRIE: No, the decision was based on the
11 factors that you've seen.

12 COMMISSIONER STEELE: Okay. Mr. Chairman, I yield
13 back my time.

14 CHAIRMAN DIXON: I thank the distinguished
15 Commissioner for her questions. The next person to question
16 will be Mr. Al Cornella. Mr. Cornella.

17 COMMISSIONER CORNELLA: Thank you, Mr. Chairman.
18 Good morning, gentlemen. Secretary Dalton, I'll address all
19 questions to you and you may redirect them as you wish.

20 SECRETARY DALTON: Thank you.

21 COMMISSIONER CORNELLA: Secretary Pirie and Deputy
22 Secretary Deutch recently testified before this Commission

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1 that in the cross-service area, significant excess capacity
2 will exist after BRAC '95 and will provide future opportunity
3 for reduction. The message that more needs to be done in
4 joint cross-servicing came through loud and clear.

5 In light of these statements, along with the rather
6 small success that the cross-service groups had in getting
7 the services to adopt their alternatives, do you think inter-
8 servicing can ever be a successful means to eliminate excess
9 capacity?

10 SECRETARY DALTON: Mr. Commissioner, we looked at
11 all of the joint service suggestions that were presented to
12 us and incorporated about 20 of the joint service
13 suggestions. The ones that we adopted were the ones that
14 demonstrated a positive return without impacting readiness or
15 the Department's Title 10 responsibilities.

16 COMMISSIONER CORNELLA: Thank you. It is our
17 understanding --

18 MR. PIRIE: Excuse me.

19 COMMISSIONER CORNELLA: Yes.

20 MR. PIRIE: May I add to that?

21 COMMISSIONER CORNELLA: Yes.

22 MR. PIRIE: Because I think it unjustly downgrades

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1 the joint cross-service groups and so forth. We adopted a
2 fair number of joint cross-service group suggestions. The
3 closure of Long Beach was suggested by the Joint Cross-
4 Service Group on Depot Maintenance; the closure of Naval Air
5 Warfare Center Indianapolis and Naval Surface Warfare Center
6 in Louisville.

7 In many cases, the joint cross-service groups, in
8 the opinion of the BSEC, didn't go far enough. They asked us
9 to move various kinds of work out of those facilities and
10 into other DOD facilities and sometimes other Navy
11 facilities. But in our case, in many cases, we simply opted
12 to close them.

13 COMMISSIONER CORNELLA: Secretary Dalton, we heard
14 testimony last week from Secretary Perry that the size of the
15 list of recommendations to this Commission was limited by the
16 Department of Defense's management ability to implement BRAC
17 actions when they are added to those of previous rounds.

18 In view of the size of the 1993 list, how, if at
19 all, did these concerns affect the Navy's 1995
20 recommendations?

21 SECRETARY DALTON: Mr. Commissioner, I saw those
22 comments in the press and actually spoke to Secretary Deutch

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1 about them, asking him about that comment, because I thought
2 they were inconsistent with what the Navy Department did and,
3 in fact, I think he said that it really didn't apply to us.

4 In other words, what we had presented to -- my
5 recommendations to Secretary Deutch, Secretary Perry were
6 outlined this morning in terms of the process that we used,
7 and were not influenced by that.

8 COMMISSIONER CORNELLA: Thank you. When a base has
9 multiple functions and, as such, could fall under more than
10 one installation category, it is our understanding that the
11 base was ranked by each of its functions. In these cases,
12 how did the Navy evaluate the military value of the
13 installation?

14 SECRETARY DALTON: I'll ask Mr. Pirie to respond to
15 that.

16 MR. PIRIE: Well, in each case -- for example, if a
17 NADEP is on a Naval air station, the Naval air station and
18 then the NADEP got evaluated. And, in the military value
19 analyses of each installation is a section that speaks to is
20 this installation host to someone else and does it do support
21 for other kinds of activities.

22 COMMISSIONER CORNELLA: Secretary Dalton, in the

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1 analysis of bases affected by several recommendations, COBRA
2 is examining effects of the aggregate. In such cases, is
3 there a way to determine the impact of each individual
4 recommendation?

5 SECRETARY DALTON: I think the COBRA analysis is
6 one that I think Mr. Pirie could speak to better than I
7 could.

8 MR. PIRIE: The answer is, yes, we can have the
9 staff back out those numbers for you -- the ones that you
10 would like, Ms. Cornella.

11 COMMISSIONER CORNELLA: Thank you.

12 MR. NEMFAKOS: Just to expand, though, some of the
13 scenarios, the analysis is interwoven, because there are
14 moves that are interdependent. So, while some of the
15 aggregations, Commissioner Cornella, can be broken down,
16 there are certain ones that may not be able to be broken down
17 because there are moves that one depends on the other, and so
18 you can't do the analysis of half the move.

19 COMMISSIONER CORNELLA: Thank you. Secretary
20 Dalton, last week Secretary Gotbaum described the method used
21 by the services to create a military value ranking for each
22 base and a category which was used to determine closure or

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1 realignment choices.

2 Are there any circumstances where the Navy closed
3 to realigned bases which ranked higher than those bases not
4 included on the Navy list and, if so, please explain the
5 reason for not following the military value rankings.

6 SECRETARY DALTON: Mr. Commissioner, I think the
7 example that we used earlier with respect to Portsmouth and
8 Long Beach was a case where the military value was some
9 2/10ths of 1 percent different, and so we did not adhere 100
10 percent to what those numbers showed with respect to the
11 final military value analysis, and I think the example we
12 discussed with respect to Long Beach and Portsmouth reflects
13 that.

14 COMMISSIONER CORNELLA: Are there any similar
15 circumstances?

16 SECRETARY DALTON: I don't know of any others. Do
17 you, Mr. Pirie?

18 MR. PIRIE: There are some, and we will supply a
19 complete list for the record, Commissioner Cornella.

20 COMMISSIONER CORNELLA: Thank you.

21 MR. PIRIE: But the rationale, I think, clearly
22 applies to all. It's not simply a matter of just turning the

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1 crank and getting a military value number, it's a matter of
2 determining, with respect to the excess capacity that you
3 want to eliminate, how do you achieve a configuration that
4 retains average military value across everything that you
5 keep most effectively.

6 COMMISSIONER CORNELLA: Thank you, Mr. Secretary.
7 Secretary Dalton, the Navy recommendations include a long
8 list of redirects, and I think that was addressed partially
9 by Commissioner Robles.

10 What is the value of the military construction
11 costs eliminated by the redirects and are these costs based
12 on the 1993 COBRA analysis or the more detailed assessments
13 performed during implementation planning?

14 SECRETARY DALTON: As I recall, the overall
15 military -- and I will provide the answer precisely for the
16 record -- it was approximately \$1 billion dollars in military
17 construction avoidance that resulted, savings resulted from
18 those decisions. I'll ask Mr. Pirie to elaborate further.

19 MR. PIRIE: No, I think that that's right, it's
20 about \$1 billion, and the numbers are budget numbers. That
21 is, those are numbers in the Navy's budget or program as it
22 has been published.

1 COMMISSIONER CORNELLA: Thank you. Mr. Chairman, I
2 yield the remainder of my time.

3 CHAIRMAN DIXON: Thank you very much, Commissioner.
4 Before I recognize the next Commissioner, may I do one
5 follow-up with you, Mr. Secretary? Getting back to Admiral
6 Boorda's earlier statement about keeping it simple, this poor
7 old Southern Illinois lad sure appreciates it if you can keep
8 it simple.

9 When you get right down to it, are you simply
10 saying to us that, notwithstanding that small --
11 infinitesimally small -- fraction of a percentage point
12 difference between Portsmouth and Long Beach, it boils down
13 to the fact that it's a nuclear submarine Naval shipyard out
14 there in Portsmouth? Is that what you're saying? Or is it
15 more than that? We'd like to get it as simple as we can.

16 MR. PIRIE: To keep it simple, it boils down to the
17 fact that it is a different kind of shipyard than Long Beach.
18 It's a nuclear shipyard, facilitized for 688-class
19 submarines. We believe that the work at Long Beach can be
20 done in a wide variety of industrial facilities on the West
21 Coast, whereas the kind of work that Portsmouth does can be
22 done at very few facilities.

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1 CHAIRMAN DIXON: Okay. Before I yield to my
2 friend, Commissioner Cox, just to follow up, there are five
3 military and national security value criteria and three
4 others. Since Portsmouth and Long Beach are relatively tied
5 on the five military, do any of the other three values come
6 into this at all? Is that too convoluted a question?

7 MR. PIRIE: No, I understand what you mean. The
8 analysis of environmental impact, economic impact, community
9 impact wouldn't have made any difference to either one of
10 them.

11 CHAIRMAN DIXON: Okay. I thank you. I'm delighted
12 to recognize a distinguished Commissioner in past rounds, a
13 wonderful lady. One wonders why one would return. But we're
14 honored by her return -- Mrs. Rebecca Cox.

15 COMMISSIONER COX: Thank you, Mr. Chairman and thank
16 you all for testifying today. I want to commend the Navy,
17 because I am well aware of the aggressive nature of the 1993
18 recommendations as well, and any concern that perhaps the
19 Navy isn't going as far this time, and your concern over the
20 costs to close I'm painfully aware of.

21 I want to ask you just one more question about the
22 \$3 billion, because I thought you made a very persuasive case

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1 that it is important to the future of the readiness of the
2 Navy that that money be appropriated and spent.

3 Was the \$3 billion requested by the Administration,
4 has that gone all the way through the budget process? Has
5 the entire amount been requested?

6 SECRETARY DALTON: Yes, ma'am. It is part of our
7 budget request for this year's budget and fiscal '96 and even
8 though we haven't submitted '97 yet, it's penciled in in
9 terms of how we plan to go forward with respect to next year,
10 as well.

11 COMMISSIONER COX: Are you expecting -- at least
12 earlier in the Base Closure Commission process there was some
13 thought that there might be dollars coming into the Defense
14 Department for some of these moves. Are you counting on any
15 dollars from closures?

16 SECRETARY DALTON: Ultimately, we're counting on
17 significant dollars.

18 COMMISSIONER COX: I'm sorry, dollars coming in
19 from selling land, from selling equipment.

20 SECRETARY DALTON: No, ma'am.

21 COMMISSIONER COX: No. Okay. Thank you. Let me
22 also ask you, because I was on the 1993 Commission, there are

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1 a few things that are different this time, obviously, in many
2 cases, because of the force structure or other reasons. But
3 I'd just like to walk through them so that I understand where
4 those differences came.

5 For example, in 1993, the Commission, after a great
6 deal of consideration and working with the Navy, believed
7 that the Navy would require two strike training bases to
8 accommodate the current and future pilot training rate, and
9 further found that the military construction for the T-45s,
10 the Navy's new intermediate and advanced strike training
11 aircraft which was completed, I believe at Kingsville and had
12 begun at Meridian, required two sites to support future pilot
13 training and, therefore, we recommended that Meridian be
14 maintained.

15 I wonder if you can tell me, is the Navy planning
16 -- you've now recommended closing Meridian -- are you
17 planning to conduct strike training at any other location
18 other than Kingsville?

19 SECRETARY DALTON: No, ma'am. There is on longer a
20 need for a second strike training air station.

21 COMMISSIONER COX: I wonder if you could just
22 outline for me what are the changes that lead you to that

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1 conclusion?

2 SECRETARY DALTON: Madam Commissioner, I referred
3 to the smaller number of aircraft and the various types and
4 categories. We had an additional air wing to consider at the
5 time of BRAC '93 as compared to BRAC '95. So I think just
6 the smaller number and bringing our force structure down to
7 the 346 ships, the 11 active carrier groups and 10 air wings,
8 those considerations that were part of our bottom up review
9 process led us to those conclusions.

10 COMMISSIONER COX: It's a force structure change
11 that ultimately allowed that?

12 SECRETARY DALTON: Yes, ma'am.

13 COMMISSIONER COX: On the same question, sort of,
14 but a different example, have you changed the criteria you
15 use to decide the military value? Has that been a change
16 since 1993?

17 The reason I ask, for example, Long Beach that you
18 had up there, in 1993, military value ranked differently at
19 that point. It ranked significantly higher than Pearl Harbor
20 and Portsmouth, and now you all have ranked it slightly above
21 Portsmouth and well below Pearl Harbor. Did the military
22 value change or what else changed?

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1 SECRETARY DALTON: I'll ask Mr. Nemfakos to address
2 that, since he was involved in both rounds and I was not.

3 MR. NEMFAKOS: Commissioner Cox, as you will
4 recall, in the '93 round of base closure, we had, for
5 example, large elements of military value devoted to quality
6 of life issues. You will also recall that we were
7 criticized, both by the Commission as well as Members of
8 Congress, for particularizing elements of our military value
9 to the type of installation that we were dealing with.

10 So you will, in fact, see, throughout the military
11 value matrices our taking those criticisms to heart and
12 making the necessary changes.

13 With regard to the industrial activities, for
14 example, we have a much smaller and much tighter military
15 value approach to quality of life issues, since they are
16 predominantly civilian industrial activities.

17 So you will see, in fact, changes as a couple of
18 things happy -- one, the refinements attendant to the things
19 that were suggested to us where we could improve the process
20 but secondly, also, with regard to force structure changes,
21 where activities before had value because they supported a
22 certain element of that force structure, now that element is

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1 no longer there and, therefore, they don't get the attendant
2 values.

3 COMMISSIONER COX: To put it in the Chairman's
4 terms, to keep it simple, generally -- there are probably a
5 lot of changes but, generally, the weighting may be of the
6 quality of life and, of course, any changes in the force
7 structure would be the two major reasons?

8 SECRETARY DALTON: Yes, ma'am.

9 COMMISSIONER COX: Okay. Sort of along the same
10 category, looking at some of your redirects -- White Oak, for
11 example -- you all have requested this time that the Navy Sea
12 Systems Command move mostly to the Washington Navy Yard
13 instead of to the Naval Surface Warfare Center in White Oak.
14 I assume that this is a cost issue as much as anything.

15 Is the cost of renovating the Navy yards for the
16 Naval Sea Systems Command less than the cost to renovate the
17 existing facilities at White Oak?

18 SECRETARY DALTON: Mr. Pirie, would you respond?

19 MR. PIRIE: Yes, it is. There is substantial
20 savings involved in that and there are substantial savings in
21 closing the White Oak facility itself. So we win both ways.

22 COMMISSIONER COX: For that same reason, is there a

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1 difference -- as I recall, and I don't remember the actual
2 numbers, it was actually not that expensive to move to White
3 Oak in 1993 -- are the budget numbers different because now
4 you're closer to what the real costs would be, and are you
5 seeing that in other areas, a lot of your costs to move
6 higher than you expected?

7 MR. PIRIE: I'll ask the former deputy director of
8 Navy budgets and accts on my left to answer the question.

9 MR. NEMFAKOS: Well, as General Robles can tell
10 you, budgets do change over time. But no, I think, with
11 regard to White Oak, and I think with regard, for example, to
12 the movement of the nuclear training programs to Charleston,
13 what you see is the reality of how much is it that you need
14 to keep and what does it cost you versus something else.

15 In the '93 round of base closure, it was our view,
16 looking at the technical centers as well as to the total
17 number of people that needed to be housed, that we needed to
18 keep the White Oak activities. We're now two years further
19 down the pike in the budget cycle. The top line has gone
20 down. The amount of money that we have to spend in the
21 technical centers themselves has dropped appreciably.

22 We have a different understanding, if you will,

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1 appreciation of how much work needs to be done on the
2 technical side. The numbers of people in the systems
3 commands has continued to go down. So, in terms of how much
4 space you need to have to house those people, that's
5 adjusted.

6 And then, in the context of the redirect, for
7 example, from New London, the schools from New London going
8 to Charleston, it's a reflection of what the Commission felt
9 was appropriate in terms of keeping the submarine berthing
10 capacity in New London. We've taken that into consideration
11 in our calculations. And as you do them, you need a
12 different configuration of space.

13 COMMISSIONER COX: Just again, to keep it simple,
14 so I understand it, because the force structure has changed
15 and what we're attempting to do is not different but perhaps
16 now being handled in a different manner, you really can't
17 compare the '93 numbers to move to the '95 numbers?

18 MR. NEMFAKOS: Yes, ma'am.

19 COMMISSIONER COX: Thank you very much.

20 CHAIRMAN DIXON: Thank you very much, Commissioner
21 Cox. We appreciate that. I'm pleased now to recognize
22 General J.B. Davis for a round of questioning. Commissioner

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1 Davis.

2 COMMISSIONER DAVIS: Thank you, Mr. Chairman. I'd
3 like to join my colleagues in welcoming you. This is my
4 first time on this side of the dais and I like it a lot
5 better over here.

6 (Laughter.)

7 COMMISSIONER DAVIS: Again, keeping it simple, for
8 a simple fighter pilot from Nebraska, I'd like to ask one
9 question and, Mr. Secretary, you can divert it to anybody you
10 want -- hopefully not back to me.

11 (Laughter.)

12 COMMISSIONER DAVIS: I know the services were very
13 concerned that, if we didn't have this round of base
14 closings, that some of the money in the out years had already
15 been eaten. I'd like to congratulate the Navy for stepping
16 up to the process, because you surely have.

17 SECRETARY DALTON: Thank you.

18 COMMISSIONER DAVIS: Given what you've done, will
19 you have to ask for additional appropriations to accomplish
20 your out year budgets or do you have sufficient?

21 SECRETARY DALTON: It's imperative that the cost
22 savings that we have requested in this round of closures, in

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1 addition to what will be realized from prior rounds of
2 closures, happen, and that we do realize the savings from
3 these closures and, with that, we anticipate that we'll be
4 able to do the recapitalization and take care of our people
5 in the out years.

6 COMMISSIONER DAVIS: And you will have, clearly,
7 enough in your readiness account and your modernization
8 account?

9 SECRETARY DALTON: Yes, sir.

10 COMMISSIONER DAVIS: I thank you for that answer.
11 As I citizen who would like to be protected, I'm glad to hear
12 that.

13 I know the Navy and the Air Force has been talking
14 about integrating pilot training. That discussion has been
15 ongoing for years, and I think we're moving towards that. In
16 your decision, when you looked at Meridian Air Force Base,
17 was there any analysis done on combining training between
18 Meridian and Columbus Air Force Base, which are not too far
19 apart?

20 SECRETARY DALTON: General, the recommendation of
21 the closure of Meridian was probably the most painful for me,
22 personally, in that I've been there many times and was very

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1 impressed with what I have seen there, and it is a quality
2 facility. And, as I answered earlier, we did have to
3 recommend that it be closed based on the fact that we no
4 longer had the need for a second strike training air station.

5 However, because it is such a quality facility and
6 because joint training is a goal of working together with the
7 Air Force, in particular in our undergraduate pilot training,
8 we thought that it might, indeed, make sense to have Meridian
9 and Columbus working together with respect to that and we
10 requested that OSD consider that, along with the Air Force,
11 and made that as part of our recommendation to OSD in our
12 submission.

13 COMMISSIONER DAVIS: Thank you, sir. If I may turn
14 to depots, I know the Navy has, again, stepped up to the
15 process and closed depots. Considering the Navy's recent
16 decision to move the F-18 workload a bit, which has been
17 inter-serviced to the Air Force, back to the Navy, do you
18 have future plans for inter-servicing, and can you give us
19 some idea of why you moved the F-18 back? Was it lack of
20 timeliness, not cheaper to do it that way, et cetera?

21 SECRETARY DALTON: We believe in inter-servicing,
22 General Davis, where it can be achieved and where it is both

1 cost-effective and from an operational point of view makes
2 sense and, as I think was pointed out by Mr. Pirie, we
3 probably do more inter-servicing work than anyone, and where
4 we can achieve cost effectiveness and meeting our operational
5 considerations, we will.

6 I might ask Admiral Boorda if he would like to
7 speak to the decision with respect to the F-18s.

8 ADMIRAL BOORDA: In my backup to prepare for today,
9 I had a figure of 26 percent of our work is done in other
10 services' facilities, and we are doing a lot of -- I don't
11 know the corresponding number of their work done in ours, but
12 I would assume it's probably pretty close. That's
13 significant.

14 We have downsized our depots to what I consider to
15 be the minimum now. We have one on each Coast and one Hilo
16 facility. You can't get a lot smaller than that.

17 With respect to the Air Force doing work on F-18s,
18 and that work going back to North Island, that was purely
19 economics. It is cheaper and the aircraft are returned to
20 service more quickly, and that decision was made just as it
21 would have been made between a public and private
22 competition. It was made on the numbers and what got the

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1 taxpayer the best deal for the money.

2 COMMISSIONER DAVIS: Thank you, sir. If I might
3 have just one more minute, if I may go back to pilot
4 training, assuming a crisis occurs and we have to build the
5 air wings back up again, do you have a surge capacity,
6 Admiral Boorda, in this process?

7 ADMIRAL BOORDA: Yes. We will still have some
8 excess capacity in the way we're going, but I would like to
9 reiterate, or rather associate myself with what the Secretary
10 said. If we could find a joint use of the entire Mississippi
11 complex, that would be a good thing to do and it would create
12 some opportunities in the area you're talking about.

13 COMMISSIONER DAVIS: I know we'll get the data
14 eventually but, in the test evaluation area, we'd like to
15 work with your staff to try to come up with the rationale of
16 why you did what you did, along with the other services.

17 SECRETARY DALTON: Yes, sir. We'll be happy to
18 work with you.

19 COMMISSIONER DAVIS: Thank you, sir. Mr. Chairman,
20 I yield back.

21 CHAIRMAN DIXON: I certainly thank you, General
22 Davis. And now we'll have questioning by a distinguished

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1 businessman from St. Louis, my friend S. Lee Kling.

2 COMMISSIONER KLING: Thank you, Mr. Chairman. Mr.
3 Secretary, you and I have known each other for a long time
4 and worked together for a long time.

5 SECRETARY DALTON: Indeed, we have.

6 COMMISSIONER KLING: I respect your good work. I
7 would like to also say thanks for the good job you and your
8 associates are doing.

9 SECRETARY DALTON: Thank you very much, sir. I
10 appreciate that.

11 COMMISSIONER KLING: You stated that clearly excess
12 capacity remains, but it has been identified as peculiar to a
13 particular type of installation or it is being retained to
14 protect future flexibility.

15 Would you provide us with a list of where this
16 excess capacity exists and how much at each location?

17 SECRETARY DALTON: Yes, sir, Mr. Commissioner;
18 we'll be happy to do that.

19 COMMISSIONER KLING: All right. We'd appreciate
20 that. Going back to just -- we've asked the question so many
21 times about the funding that you brought up, or the lack of
22 funding, I might say. How much funding -- what I don't

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1 understand is, you said that you were not able to close as
2 many locations as you would have liked to have closed by now.

3 How much additional dollars are you missing to be
4 able to complete the work of the past or what you're short at
5 this time?

6 SECRETARY DALTON: Mr. Kling, I don't have that
7 number at my fingertips. I'd be happy to provide that. The
8 one example I cited was one in which dollars were diverted
9 from the --

10 COMMISSIONER KLING: The earthquake?

11 SECRETARY DALTON: -- BRAC closure kitty, if you
12 will, and prevented us from having some additional dollars
13 spent to effect closures since then that would have otherwise
14 occurred. But I don't know the dollars. Mr. Pirie, are you
15 aware of what the dollar amount is?

16 MR. PIRIE: No. We have had to delay some projects
17 and delaying projects simply delays the savings that you
18 expect to realize from them. We can provide you a detailed
19 list of what cuts were and what projects they impacted.

20 COMMISSIONER KLING: Has your budget request going
21 forward included not only what you are suggesting in this
22 round but to take care of what is needed from the past?

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1 MR. PIRIE: Yes, sir.

2 COMMISSIONER KLING: Thank you. Touching on the
3 cross-servicing aspect a little, which I know is a tougher
4 animal to get into, how much consideration was given to
5 merging medical facilities and hospitals with the other
6 services in areas where there are duplicate facilities and
7 excess bed capacity?

8 SECRETARY DALTON: Mr. Pirie?

9 MR. PIRIE: That is an ongoing process outside of
10 BRAC. I'll let Mr. Nemfakos talk to it, in his inimitable
11 fashion, in a moment.

12 Generally, we regard hospitals as follower
13 activities. We need hospitals in areas of major fleet
14 concentrations, major troop concentrations, and so forth, and
15 we need hospitals in some areas where civilian capacity would
16 be overtaxed if we put all of our people into the civilian
17 market. So there has been a substantial amount of
18 consolidation and cross-servicing going on in the defense
19 hospital establishment, and we have been part of that.

20 SECRETARY DALTON: Charlie?

21 MR. NEMFAKOS: I'll try to keep it simple by taking
22 the Commission back to what the '93 Commission did with the

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1 proposed closure of the Naval hospital in Charleston, where
2 the Commission felt, because of the total number of military
3 personnel that were being serviced in that particular
4 catchment area, the hospital should remain open as opposed to
5 closed, even though Navy active duty personnel were leaving
6 in large numbers.

7 The joint cross-service group approach this time
8 was exactly that approach, Commissioner, was to look at the
9 total number of people in a catchment area that needed to be
10 serviced and then do the analysis of what needed to stay or
11 go on that basis.

12 ADMIRAL BOORDA: Excuse me. I might just add,
13 because Charlie used the Charleston hospital as an example,
14 we have in Charleston right now -- and this is a result of
15 what we did in '93 -- a Navy commanding officer of the
16 hospital and an Air Force executive officer. The idea that
17 the services are working together to not have too much
18 capacity and make the best of what we have, Charleston is a
19 real good example of how to do that right.

20 COMMISSIONER KLING: In this round, were there any
21 hospitals specifically that would be taken down due to the
22 fact that they could merge with, or cross-service with one of

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1 the other services?

2 MR. NEMFAKOS: In the analytical approach, there
3 were Navy facilities that were identified to be downsized,
4 Commissioner, not to close completely. When we looked at, in
5 our own internal analysis, at those recommendations, the fact
6 that, for example, we were bringing additional active duty
7 military personnel into Corpus Christi did not necessarily
8 lend itself to supporting that particular conclusion.

9 The fact that, in Beaufort, South Carolina, the
10 ability to provide our active duty members with necessary
11 support is limited did not allow us to reach that same
12 conclusion. That was the extent of the Navy's involvement in
13 that particular area.

14 SECRETARY DALTON: Commissioner Kling, I know that
15 22 hospitals were evaluated and over 100 clinics were
16 evaluated in this process, so it something that we evaluated
17 closely and, as Mr. Nemfakos indicated, there was some
18 downsizing, but there were no closures in this area.

19 COMMISSIONER KLING: Mr. Secretary, was that across
20 service lines or was that only within the Navy?

21 SECRETARY DALTON: That's within the Department of
22 the Navy.

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1 COMMISSIONER KLING: Yes. And that's what I was
2 really just trying to ask, though, across service lines is
3 that done. Because, as we know, in the country there are
4 major mergers of hospitals, saving millions and millions of
5 dollars. Anyway, that was just a subject.

6 You also made a statement, Mr. Secretary, that you
7 intended to maintain a presence -- I'm talking about the
8 Reserve units -- in every state, and I guess I can understand
9 the good will that that maintains from that standpoint.
10 However, would there be additional major savings involved by
11 coordinating more of the Reserve units cross-state and/or
12 also having them work in consideration with the regular
13 units?

14 SECRETARY DALTON: Commissioner Kling, we find that
15 it's important to have a presence in every state. We use
16 Reserves for many things, and Reserves play an active role in
17 the Navy Department in a lot of areas.

18 One of those areas, in this past year, for example,
19 was in the area of recruiting. We asked our Reservists to
20 assist in recruiting. We had a difficult year in recruiting
21 because many people think, because we're getting smaller,
22 that we're not hiring and, indeed, we are. We need to

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1 recruit 100,000 sailors and Marines this year and next year
2 and the year after that with respect to our Navy Department,
3 and Reserves help us in that area.

4 So it is important for us to have representation in
5 each are, and I'd like to ask the CNO to comment on that, as
6 well.

7 ADMIRAL BOORDA: Naval Reserves are primarily prior
8 service people, or people with very special skills that we
9 need. For example, Seabees, that Admiral Montoya is familiar
10 with, we might hire them right out of the construction, or
11 recruit them right out of the construction population.

12 Because it's basically a prior service outfit, you
13 should see, as your staff does, the analysis, the rationality
14 between the demographics and where we have our Reserve
15 centers. So we put our Reserve centers where there are
16 Reservists of the right skill levels and quality for us to
17 have in our force.

18 It works out that you want to have those pretty
19 much throughout the country, and having one in every state is
20 not a problem. Our people do, in fact, go across state lines
21 all the time, and you will see, when we move -- there's a
22 good example in this BRAC. The South Weymouth closure will

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1 move some aircraft into Brunswick, Maine. Sixty-four percent
2 of the people live within less than 150 miles from Brunswick,
3 and so we'll be drilling there.

4 COMMISSIONER KLING: Thank you, Admiral.

5 SECRETARY DALTON: The Commandant would like to add
6 to that,

7 GENERAL MUNDY: I would just add emphasis to the
8 demographics aspect, Commissioner. Indeed, it's nice to be
9 represented in a variety of locations.

10 But now, correspondingly, while we have some units
11 that would fit that description that Admiral Boorda just laid
12 out for you, a lot of ours involve younger people and it
13 simply is a matter of being able to have a community from
14 which you can recruit within about a 150-mile radius, young
15 people that are in school or whatnot, that can come in and be
16 located there.

17 So there is some skill association to it, but there
18 is also the idea of just the availability of recruits.

19 COMMISSIONER KLING: Thank you, Mr. Chairman.

20 CHAIRMAN DIXON: Thank you very much, Commissioner
21 Kling. Now, ladies and gentlemen, the Chair recognizes the
22 hour is 11 O'clock. We haven't had a break.

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1 Now, I recognize how important each of you
2 obviously is to his own service units and so forth, and how
3 valuable your time is. May we impose for one more quick
4 round, please? Are you comfortable without having a break?

5 I find that breaks tend to take longer than we
6 anticipate and, if no one minds too much, and you would
7 indulge the chair, I'm going to shorten the question period
8 for each of my Commissioners to six minutes and we'll have
9 one more quick round.

10 I will conclude with a sort of a short series of
11 questions that have been given me by others and we'll have
12 you out of here in time for lunch, and I greatly appreciate
13 your permitting us to impose upon your valuable time. If
14 that's all right with you, we'll go ahead, and Admiral
15 Montoya will again question.

16 COMMISSIONER MONTOYA: I want to ask some questions
17 about what I consider to be the wild card in this whole
18 process, and that's the environmental issues.

19 If there's one area where that wild card plays
20 differently depending on who's got the deck at any point in
21 time, because of the legal issues both at the leaving
22 activity or the receiving activity, the issues around permits

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1 and impact statements and so forth, and then the cost issue
2 -- as you know, this will come up everywhere we go.

3 People will use this as a reason not to move or as
4 a reason not to go someplace else or will even use it as a
5 reason -- use the costs associated with that as a reason not
6 to move.

7 General Mundy, where appropriate, would you also
8 respond to this, so that we can have it on the record, to
9 these questions where applicable?

10 DOD policy has a statement that says that unique
11 contamination problems requiring environmental restoration
12 will be considered as a potential limitation on near-term
13 community re-use. Were any installations eliminated from
14 closure because of unique contamination problems?

15 SECRETARY DALTON: Who are you addressing that to,
16 sir?

17 COMMISSIONER MONTOYA: Either one.

18 Were any bases eliminated from consideration
19 because of unique contamination problems?

20 MR. PIRIE: No, sir.

21 SECRETARY DALTON: No, sir, that were not. There
22 were none.

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1 COMMISSIONER MONTOYA: And you have none this year,
2 so, General, that wouldn't apply to you.

3 The issue -- the fast track cleanup program which
4 was adopted by DOD some 18 months ago, my note says, that to
5 speed up cleanup, to speed cleanup on closing bases -- does
6 fast track help the Navy or the Marine Corps clean up faster
7 than it would otherwise?

8 SECRETARY DALTON: Commissioner, Mr. Pirie's title
9 is Assistant Secretary of the Navy for Installations and
10 Environment. I think he's the appropriate person to answer
11 that question.

12 MR. PIRIE: Therefore, I get the question. The
13 answer is, fast-track cleanup is a good thing and we are
14 doing well with it.

15 It turns out that, in the re-use business, that
16 when communities have an incentive to get their hands on the
17 property quickly, that difficulties with environmental
18 assessments and cleanups tend to fade away and the discourse
19 becomes much more pragmatic than ideological, and we come to
20 agreements and move on with it.

21 In fact, we're learning from BRAC situations things
22 about fast track cleanup that are assisting us in our other

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1 installations.

2 COMMISSIONER MONTOYA: General Mundy, any
3 experience yet with this process at El Toro, which I think is
4 on the list from before?

5 GENERAL MUNDY: Well, the costs associated with the
6 environmental cleanup are included in the funds that are
7 provided to us. There is a cost to cleaning up the
8 environment. I don't have any specifics to offer, beyond
9 that fact, I think.

10 COMMISSIONER MONTOYA: And it's not costing any
11 more or any less? Do you feel that this -- when you speed up
12 something, certainly in construction you pay a premium. How
13 do you feel about fast-track insofar as impacting your costs?
14 Any experience yet?

15 MR. PIRIE: Not enough to talk about. We can
16 provide you with explicit examples of the fast-track cleanup
17 programs that we have already implemented. I do not have the
18 sense that getting on with it makes it any more expensive.
19 On the contrary, when people have an incentive to get on with
20 it in order to re-use the property and get something else
21 going, they find ways to make cleanup work.

22 COMMISSIONER MONTOYA: One last question. Your

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1 extensive redirect list, was any of that driven by
2 environmental considerations that you've discovered since
3 previous BRAC decisions?

4 MR. PIRIE: No, sir, none of them were. We had
5 some cases -- for example, Lemoore is a non-attainment area,
6 we would have needed emission reduction offsets to move the
7 F-14s into Lemoore. We succeeded in obtaining those from the
8 Air Force, from Castle Air Force Base. That was, I think,
9 the only close call.

10 So, essentially, the answer is that no
11 environmental considerations affected the redirects.

12 COMMISSIONER MONTOYA: Thank you.

13 CHAIRMAN DIXON: Thank you, Admiral Montoya.
14 General Robles.

15 COMMISSIONER ROBLES: Mr. Secretary, you mentioned
16 previously that part of the rationale, or one of the
17 benefits, I would say, of the redirecting process between the
18 '93 round and '95 round were substantial savings, and I
19 assume those substantial savings impacted heavily on your
20 overall economics for the '95 round.

21 Now, the question I have is, did you take the other
22 side of this? Because obviously, when there were some

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1 recommendations in the '93 round, there were savings
2 attributed to those recommendations and, as you reverse those
3 or change those, you have to offset those savings with the
4 savings for this new round. How did all that work out?

5 SECRETARY DALTON: Yes, sir, Mr. Commissioner. We
6 evaluated the previous recommendations and realized that some
7 dollars, if not expended, were in the process of being
8 expended, and recognized that that would be the case, but the
9 overall savings from the redirects outweighed those
10 considerations.

11 COMMISSIONER ROBLES: The second question, cross-
12 servicing. We've talked a little bit about cross-servicing,
13 and it was interesting.

14 I remember, even when I was still back in the
15 Pentagon, that we had an extensive review group, cross-
16 service study group. They made a lot of recommendations.
17 Yet, it appears that not many of the recommendations were
18 adopted by this particular BRAC round.

19 And being pragmatic, and understanding inter-
20 service rivalry and a lot of other things, this is not along
21 that vein. I just have a specific question.

22 I know for many years we've been talking about

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1 rotary aviation training, and I understand that one of the
2 recommendations of the cross-service group was that the Naval
3 Air Station Whiting Field, Florida be closed and that all
4 rotary wing training go to Fort Rucker. Yet, that did not
5 come out in your final recommendations.

6 Any rationale for why that wasn't done?

7 SECRETARY DALTON: Yes, sir. And we did review
8 that recommendation and found that, in terms of our aviation
9 training is for helicopters, it is different than what is
10 done between Whiting and at Fort Rucker.

11 We are training aviators to fly over water, to land
12 on ships. It does take different qualifications and
13 different training and it was our judgment that it made sense
14 not to do cross-servicing here and not to do that on a joint
15 basis.

16 But I would defer to either Admiral Boorda or
17 General Mundy, if they'd like to elaborate further on that.

18 ADMIRAL BOORDA: Let me simply say that, for the
19 Navy part of it -- and we train our helicopter pilots
20 together -- we're training to a different requirement. Were
21 we to move together, we would have to recreate Whiting Field
22 at Rucker, and the cost would not make sense.

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1 We have a very different expectation for our
2 helicopter pilots.

3 GENERAL MUNDY: We probably are the closest
4 together in the green suit sense. And certainly, as you
5 know, Commissioner, during the Vietnam War, we trained some
6 pilots up at Rucker and that's worked out. They turned out
7 great.

8 Fundamentally, the Naval aviator, be he a sailor or
9 a Marine or a she, for that matter, needs the additional, for
10 example, instrumentation training. We train about 30 more
11 hours in instrumentation training because of the over-water,
12 bad weather need for operating our force.

13 For the Marine Corps, looking ahead, one of the
14 things that will drive us is the need to continue to be able
15 to have a pilot that is trained with basic fixed wing skills
16 and then becomes a rotary wing pilot.

17 The reason for that is, as we transition, beginning
18 in a very few years, into the V-22 aircraft, that amounts to
19 an airplane that takes off like a helicopter but then has the
20 characteristics of a fixed wing aircraft in flight at about
21 250 or 275 knots at extended ranges. So it's fundamentally
22 important to us to be able to continue to bring them up the

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1 fixed wing track and then transition into rotary wing.

2 COMMISSIONER ROBLES: I understand that, and I
3 understand the complexity. Do either one of you see --
4 either Admiral Boorda or General Mundy -- that maybe down the
5 road, at least for the very entry level rotary wing part of
6 it, there will be some commonality of training at a central
7 site and then, for the unique aspects of carrier landings and
8 over-water --

9 ADMIRAL BOORDA: General, only if it makes
10 financial and people sense -- financial sense, in the case of
11 not having to go through all the simulator things we have to
12 go through in the instrument training; and people sense in
13 that we don't move people back and forth from one place to
14 another to do something we can do in one place relatively
15 quickly.

16 So I mean, it has to be financially attractive and
17 it also has to treat our people properly, and so far it
18 doesn't meet either of those tests nor does it fulfill the
19 requirements that the two of us have talked about.

20 COMMISSIONER ROBLES: One final question. Last
21 week, when the SECDEF was here, he briefed the interesting
22 proposal by the Air Force that it makes economic sense to

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1 downsize five depots instead of closing one or two depots.
2 If it's so good, why didn't your service, the Naval service,
3 take that on and why did you come at it from a different
4 approach -- you and the Army, by the way.

5 SECRETARY DALTON: We closed 50 percent of our
6 capacity with respect to depots in the last round. And, as
7 Admiral Boorda has pointed out, we now have a fixed wing
8 depot on the East Coast, we have one on the West Coast, and
9 we have one helicopter depot now. That's really down to what
10 we need. We didn't have any reason to close another depot.
11 It didn't make sense for us to close another depot.

12 In terms of our general approach, it appears to us
13 that we've had better experience when we wanted to realize a
14 savings to actually make a closure as opposed to a
15 downsizing, but I don't really know the background or don't
16 know the analysis that the Air Force did. I'm sure that, in
17 their analysis, it made more sense to take the approach that
18 they took.

19 COMMISSIONER ROBLES: Thank you.

20 CHAIRMAN DIXON: I thank you, General Robles. Mrs.
21 Steele, please.

22 COMMISSIONER STEELE: Thank you. Mr. Secretary, is

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1 it the Navy policy to perform carrier refueling overhauls at
2 Newport News, rather than at a public shipyard? If so, did
3 this have any effect on the Navy's shipyard recommendations?

4 ADMIRAL BOORDA: No. It is the Navy policy to look
5 at that work as it comes up and do it in the most cost-
6 effective way.

7 COMMISSIONER STEELE: Several Navy recommendations
8 move industrial and technical missions at smaller facilities
9 to shipyards in aviation depots. Were any similar missions
10 considered for relocation to Long Beach Naval Shipyard, such
11 as missions currently being performed at Marine Corps
12 Logistics Base Barstow?

13 GENERAL MUNDY: No, Commissioner Steele. The
14 Marine Corps logistics bases are rather unique in the way
15 that they operate.

16 They are multi-commodity logistics centers and they
17 do not provide, really, a depot function in the classic sense
18 of what a depot does but, rather, they are a direct support
19 agency located on each coast to provide, within one day,
20 direct support capability or response to rapidly deploying
21 forces that are on the go all the time.

22 There was no specific function that we do there

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1 that seemed -- you know, we certainly compete the work that's
2 done there, as do the other depots, but we didn't have
3 anything to transfer, if that was the nature of your
4 question.

5 COMMISSIONER STEELE: Thank you, General Mundy.
6 Secretary Dalton, based on our staff's preliminary review of
7 your information, it appears that nuclear shipyard capacity
8 is approximately 40 percent in excess of needs. Yet, as we
9 all know today, we're only recommending the closure of one
10 shipyard at this point with no nuclear capability.

11 Would you like to comment on their inquiry
12 regarding those numbers? I know we've sort of beaten this to
13 death, perhaps.

14 SECRETARY DALTON: Commissioner Steele, we'll be
15 happy to provide additional information in terms of our
16 excess capacity in each of the areas, as was previously
17 requested, and feel good about where we are with respect to
18 the shipyards that we have and feel like we need the ones we
19 have kept.

20 But if there's specific further questions with
21 respect to the amount of excess capacity in each area, we'll
22 be happy to respond to that.

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1 COMMISSIONER STEELE: Thank you. Did the
2 Department measure private sector capacity?

3 ADMIRAL BOORDA: No, we did not.

4 COMMISSIONER STEELE: The Navy's detailed analysis
5 states that Portsmouth Naval Shipyard was removed from
6 consideration due to the possibility that the Navy might need
7 to refuel more 688 class submarines while awaiting delivery
8 of a replacement class of submarine.

9 Does this mean the Navy is contemplating the
10 extension of the lives of some LA-class attack subs?

11 ADMIRAL BOORDA: That could well happen. We are
12 looking at -- and to keep the unclassified nature of this
13 hearing, I won't go into a lot of the detail -- we are
14 looking at the capability of the 43 other nations that are
15 building submarines and are buying submarines.

16 We are looking at the capability of former
17 potential opponents and doing that in a way that does not
18 consider intent as the only threat criteria, because intent
19 can change almost overnight. Capability remains.

20 So the potential to want to refuel more 688s is
21 real. I hope the world stays in such a state that we don't
22 have to do more of than we plan, but I think it's a good

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1 capability right now for us to have as a hedge.

2 I would like to follow up on something the
3 Secretary said earlier, and back him up and say that, as we
4 finish, we're very comfortable with the shipyard alignment we
5 have now. Geography is a part of this. We joked about it
6 earlier.

7 But you'll see that we end up with two public yards
8 on each coast, all capable of doing nuclear work, and we have
9 capability to work submarines now and carriers on both
10 coasts, if we end up this way.

11 COMMISSIONER STEELE: Thank you, Admiral. Thank
12 you, Mr. Chairman..

13 CHAIRMAN DIXON: Thank you very much, Commissioner
14 Steele. Commissioner Cornella.

15 COMMISSIONER CORNELLA: Thank you, Mr. Chairman.
16 In visiting with senior military officers over the past
17 several years, the information I have received is that the
18 military would kind of like to put the closures behind them
19 and move on with the things that they need to do.

20 With that in mind, I'd address a question to
21 General Mundy and Admiral Boorda, and I understand you can
22 only address the Department of the Navy, but were the

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1 services prepared to offer up what was needed to make this
2 the last closure round?

3 ADMIRAL BOORDA: The answer is yes. And, in fact,
4 we worked closely with the Secretary and with the staff, his
5 staff, as they did this. As Mr. Pirie described, the fleet
6 commanders in chief, the owners, operators of the equipment
7 and the bases came in, and had a full say. And we need to
8 save money, just like everyone else.

9 GENERAL MUNDY: Certainly, Commissioner, as
10 Secretary Dalton mentioned to you, the Marine Corps is in a
11 relative stabilizing mode right now. After having been
12 headed down, we planed off. So the basic structure that we
13 have right now supports the size Marine Corps that we have
14 and the capabilities, training functions.

15 Indeed, we still remain short of not only family
16 housing across our array of bases but about 14,000 bachelor
17 housing sites. So we don't have a tremendous amount of
18 excess capacity.

19 COMMISSIONER CORNELLA: Thank you. Secretary
20 Dalton, last week Secretary Perry told us that one of the
21 primary considerations, naturally, was the up front costs of
22 closing the installations. Now, did I understand you

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1 correctly earlier that the up front costs were not a problem
2 in compiling the Navy's list this round?

3 SECRETARY DALTON: You did understand me correctly,
4 Mr. Commissioner. We are realizing our savings this year,
5 initial, one-time savings and our closure costs are about the
6 same. We end up with slightly additional savings up front in
7 the first year this time around. So that did not affect our
8 going further.

9 What we submitted to you is what we think should be
10 closed and realigned and did not have a problem with that as
11 far as the Navy Department is concerned.

12 COMMISSIONER CORNELLA: I also thought I heard some
13 admissions of excess capacity yet remaining. If that is the
14 case, then I would ask why? Not given the problem of up
15 front closing costs, why weren't those installations closed?

16 SECRETARY DALTON: I think that it is important for
17 the flexibility considerations, the surge capacity that the
18 CNO spoke to earlier. We live in an uncertain world and we
19 don't think it makes sense to get down to zero excess
20 capacity in each area.

21 COMMISSIONER CORNELLA: Thank you. Secretary
22 Dalton, the analysis for supply centers indicated that the

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1 center in Oakland was not closed because of concern over
2 eliminating additional civilian jobs. Why wasn't a similar
3 consideration given to the supply center in Charleston
4 considering the larger impact or large civilian job loss in
5 that area?

6 SECRETARY DALTON: Mr. Pirie, would you like to
7 comment on that?

8 MR. PIRIE: Yes. Looking strictly at this round,
9 Charleston is a substantial net gainer of jobs, and I think
10 that's probably the fundamental answer to that. The supply
11 enters are follower activities to major fleet concentrations
12 and the major fleet concentration in Charleston is departing.

13 COMMISSIONER CORNELLA: Secretary Dalton, the Navy
14 ranked six Reserve air stations and, of the six, Naval Air
15 Station Atlanta was ranked the lowest. Naval Air Station
16 Atlanta is not, however, recommended for closure because it
17 is located in an area that is demographically rich for
18 Reserve recruitment.

19 As a result, Naval Air Station Weymouth,
20 Massachusetts, despite receiving a higher ranking than the
21 Atlanta air station, was recommended for closure. Would you
22 explain the method used by the Navy to determine the relative

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1 value of a Reserve installation's geographic location with
2 respect to Reserve recruiting?

3 SECRETARY DALTON: I'm going to ask Mr. Nemfakos or
4 Mr. Pirie to address that question, please.

5 MR. NEMFAKOS: Commissioner, with regard to the
6 Reserve air stations, when we looked at Reserve air stations,
7 as the staff will see in the record, the Reserve air station
8 that we looked to close was, in fact, Atlanta and only
9 Atlanta.

10 We determined not to close Atlanta because it is a
11 demographically rich area that can support the air reserves
12 there. As a matter of fact, in the final analysis, we
13 heavied up the number of assets that were in Atlanta and also
14 jointly based assets at Dobbins, with the Air Force, in order
15 to take advantage of that.

16 The closure of South Weymouth was not as a result
17 -- the recommendation to close South Weymouth was not as a
18 result of an analysis of the Reserve air stations and taking
19 the one that had the lowest military value. Rather, it was
20 our intent to be able to support retaining Brunswick, which
21 is a much more capable active base which can also, then,
22 provide the necessary support for the Reserve assets at South

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1 Weymouth.

2 So the tradeoff was made, essentially, in our
3 process, not in the Reserve air station analysis but, rather,
4 when we completed that analysis, then, as a mechanism of
5 retaining Brunswick which, from the fleet commander's
6 perspective, was a more prudent thing to do.

7 ADMIRAL BOORDA: Brunswick remains now the only
8 base -- operating maritime patrol base -- which gives you the
9 window into the North Atlantic in cooperation with Keflavik,
10 Iceland. It was the operating nature of that base that led
11 me to recommend what we did to the Secretary.

12 COMMISSIONER CORNELLA: Thank you. Mr. Chairman,
13 that completes my questions.

14 CHAIRMAN DIXON: Thank you, Commissioner Cornella.
15 Commissioner Cox.

16 COMMISSIONER COX: Thank you. Mr. Secretary -- and
17 not meaning to beat a dead horse, because we've mentioned
18 cross-servicing many times before -- I want to ask you, in a
19 sense, a personal opinion.

20 Coming out of, I think, a sense of frustration
21 that, in 1993, there was very little inter-servicing done,
22 the Commission made a strong recommendation that the Defense

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1 Department seriously consider cross-servicing and, in fact a
2 great deal of work apparently was done by the cross-service
3 groups, very little of which appears to have ended up in the
4 final recommendations.

5 The concern that I have about that not only is are
6 we not moving but we're making decisions that we might not
7 otherwise make if cross-servicing were going forward. For
8 example, you, yourself, mentioned that it might make sense to
9 cross-service with Meridian and Columbus.

10 Nonetheless, you all have gone forward and
11 recommended closing Meridian. It may be that, were a serious
12 effort taken, we wouldn't close Meridian, we would cross-
13 service it and we'd be closing something in another services
14 area, and the Navy gets harmed, in a sense the country gets
15 harmed in a sense, by closing the wrong base should we go
16 forward.

17 We haven't been able to cross-service, even in the
18 context of the Base Closure Commission. Nonetheless,
19 Secretary Perry has indicated that they're moving forward.
20 Do you believe that there will be significant cross-servicing
21 without the incentive of something like the Base Closure
22 Commission or some further incentive other than the Defense

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1 Department simply moving forward to do that?

2 SECRETARY DALTON: Well, the answer is yes. We are
3 committed to jointness, to cross-servicing. As we train,
4 it's evident; as we do operations, it's evident; when we've
5 involved in war-fighting; and I think it's evident in what
6 we're doing from an administrative point of view and with
7 respect to some of the out-servicing that exists. As was
8 pointed out, I think we do more out-service work -- some 26
9 percent that the CNO mentioned earlier.

10 So we are committed to jointness. It's evident in
11 our acquisition planning, things like the JAST -- the joint
12 advanced strike technology. Those kinds of things I think
13 are clear that we think jointness or cross-servicing makes
14 sense.

15 Every alternative that was suggested that we
16 consider with respect to joint servicing was, indeed,
17 considered and considered seriously, and many of those -- I
18 think some 20 of the alternatives -- were, in fact,
19 implemented.

20 COMMISSIONER COX: I guess I'm not so much
21 concerned about the Navy or even the Air Force or any of the
22 services' individual commitment to cross-servicing. It's

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1 when it gets to a point where that service, you can't do it
2 by yourself.

3 SECRETARY DALTON: I think we are doing it, though.
4 I think I could give you some examples, like Tinker Air Force
5 Base in Oklahoma, like Corpus Christi, and I'm sure the CNO
6 and the Commandant could give you additional evidence of
7 that. But I think we are seeing it, and apparently it was
8 not apparent in our report.

9 Rob, would you like to speak further to that?

10 MR. PIRIE: I think what I'm hearing from you is a
11 view which may reflect a bias of the legislative perspective,
12 that without the BRAC to force us to do this, that we're not
13 going to do it.

14 I would, in fact, take the contrary view. BRAC
15 makes it harder, rather than easier to do inter-servicing.
16 Doing these things in the context of BRAC, we've got an
17 irreversible decision that's sudden, one-time, all or
18 nothing, is a really tough thing for a service to face up to.

19 Now, we've got a process going on outside BRAC
20 where we're looking at the aviation depots and where the
21 Secretary has agreed with Secretary Widnall that when the
22 process is over and we've got our final configuration

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1 service-to-service, we will then look at creating either one
2 or two joint depots between the Navy and the Air Force.

3 I think that's the right way to do this kind of
4 thing. Deciding how you're going to get your industrial work
5 done is a managerial process that should not be done with
6 these great big "bang, bang" mechanisms like BRAC.

7 COMMISSIONER COX: That's very helpful perspective.
8 Thank you. A couple other questions on White Oak. You've
9 recommended the complete closure of the Naval base that at
10 White Oak.

11 Does that mean the Navy no longer needs the test
12 facilities, including the wind tunnel, which I know we
13 discussed at some length last time?

14 MR. PIRIE: The Navy does not need that test
15 facility.

16 COMMISSIONER COX: The Navy does not? Do you
17 anticipate that DOD or any other federal agency would take
18 over those facilities?

19 MR. PIRIE: In accordance with the rules of
20 disposal, if they wish to do so, they have first call on the
21 facilities and it would be possible for them to put a fence
22 around the part that they want.

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1 COMMISSIONER COX: To do that?

2 MR. PIRIE: We hope that they will work carefully
3 and considerately with the community's re-use authority to
4 make best use of the property as a whole.

5 COMMISSIONER COX: Right. Secretary Dalton, it
6 appears the Navy ran a consolidate cost of base alignment
7 COBRA on the Naval warfare center in Indianapolis and the
8 Naval surface warfare center in Louisville. Were the closure
9 decisions based on the combined COBRA and not on individual
10 assessments?

11 SECRETARY DALTON: Yes, ma'am. The final decisions
12 were based on COBRA analysis and the authorized information.
13 We did, in fact, consider information that was provided to us
14 by the Mayor of Indianapolis and I know that Mr. Pirie and
15 Mr. Nemfakos read that recommendation. Our final decision,
16 however, had to use the authorized information that was part
17 of COBRA.

18 COMMISSIONER COX: You looked at it on a combined
19 basis or did you look at them each individually?

20 MR. PIRIE: This is one of these cases that Mr
21 Nemfakos was talking about where the decisions really
22 interacted with each other so that they are very closely

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1 associated. And, since that's his idea, I'll let him explain
2 it.

3 COMMISSIONER COX: good.

4 MR. NEMFAKOS: I told my dog and my dog told his
5 tail. Commissioner Cox, as we looked at each of the
6 activities, we looked at costing of the activity itself and
7 so, proceeding further with the scenario in the Base
8 Structure Evaluation Committee, looked at individual
9 activities as we went through and as the staff will look in
10 the deliberative record, they'll see that.

11 However, when going to the final recommendation
12 that we sent forward, because there's work moving
13 interdependently, all the costs have been put together, but
14 we can break those apart for you.

15 COMMISSIONER COX: Would you be willing?

16 MR. NEMFAKOS: Yes, ma'am.

17 COMMISSIONER COX: That would be helpful. Did you
18 consider either the option of privatization in place or some
19 sort of private-public partnership, I know, was discussed in
20 1993. Did you all look at that issue?

21 MR. PIRIE: We had those proposals before us. It's
22 not because they didn't contain certified data and contained

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1 cost estimates of uncertain lineage. The BSEC was not
2 authorized to take those into account. Mr. Nemfakos and I
3 looked at the possibilities.

4 There are attractive possibilities for re-use,
5 which is why I raised the point at the end of my testimony
6 that I hope that the Commission will be sensitive to
7 recommendations that give us the maximum flexibility to work
8 with the community re-use authorities to effectively re-use
9 the property for the benefit of the community.

10 COMMISSIONER COX: So, even in a public-private
11 type of partnership, you would see that happening through the
12 re-use process and that it could happen through the re-use
13 process?

14 MR. PIRIE: It could very definitely be part of the
15 re-use process. It can't be part of the BSEC analysis.

16 COMMISSIONER COX: Thank you. Mr. Chairman?

17 CHAIRMAN DIXON: Thank you very much, Commissioner
18 Cox. Commissioner Davis.

19 COMMISSIONER DAVIS: Secretary Dalton, in 1993, the
20 Commission closed -- El Toro was closed and Cecil Field. And
21 again, you've covered this very well. But can you sort of
22 give us the philosophy of what changed, why you're sort of

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1 reopening El Toro and re-opening Cecil Field? Or is that
2 incorrect?

3 SECRETARY DALTON: We are not reopening El toro nor
4 are we reopening Cecil Field.

5 COMMISSIONER DAVIS: All right, sir. If I may, I
6 asked you for the data. If I may ask you a philosophical
7 question, why didn't the Navy move some of its high-
8 performance aircraft testing -- and you'll see the bias here
9 in a minute -- to Edwards Air Force Base as recommended by
10 the joint cross-service group? Philosophical, sir. I'll get
11 the data later.

12 SECRETARY DALTON: Well, General, as I indicated
13 earlier, we considered every one of the cross-servicing
14 recommendations. Some we, in fact, acted on; others, we did
15 on. With respect to the specifics of that, I'll refer you to
16 Mr. Pirie or Mr. Nemfakos.

17 MR. NEMFAKOS: General, as you know, probably, in
18 the 91 round of base closure and then further consolidated in
19 the '93 round of base closure, the Navy went to a relatively
20 extraordinary length in consolidating both laboratory and
21 test and evaluation activities in certain locations. China
22 Lake, therefore, was one of the activities that became a

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1 relatively large, conglomerate laboratory and test activity.

2 As we looked at some of the joint working group
3 alternatives that dealt with moving pieces of workload, in
4 some cases, pieces of workload of less than 50 man years of
5 effort, they did not, in fact, result in a base closure in
6 the context of our being able to close down a base, get rid
7 of the infrastructure, stop taking care of things.

8 Those kinds of moves did not pay off financially.
9 So what you see before you in our recommendations are those
10 joint working group alternatives that fit within our overall
11 structure and paid off, because we were able to actually
12 close something down, get rid of the CO, get rid of the
13 guards, stop paying money to take care of buildings that now
14 had a little bit less work in them but still would have to be
15 maintained and taken care of.

16 So I think that's philosophically what you'll see
17 in the Department of the Navy's recommendation's, sir.

18 COMMISSIONER DAVIS: Thank you very much. That's
19 why I asked for the data, so we can have the staff look at
20 it.

21 But, on the other side of the coin, the Air Force
22 decided to close some things out at Eglin Air Force Base and

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1 move them to Nellis. One would ask, and I'm sure your data
2 will show, why didn't they consider China Lake? And I'll ask
3 them that question this afternoon.

4 But the question I have, really, for you all is,
5 can China Lake handle it if the Air Force was capable of
6 moving it there?

7 MR. NEMFAKOS: Well, sir, I think the issue is what
8 is it that's being moved. And that's always going to be a
9 problem when you're looking at moving workload around. So I
10 don't think anybody can give you an answer today on what
11 needs to be moved.

12 I would note that China Lake, I think, is probably
13 at less than half of the employment levels and throughput
14 that it was years ago which, of course, is pretty much the
15 case with most of our industrial activities. If you look at
16 our shipyards, we have, in fact, over the years, downsized in
17 place through RIFs and other mechanisms in order to match
18 workload.

19 So I think the real answer is, more work than is
20 currently going on has been done at places like China Lake.
21 The issue is what is the work that's to be moved.

22 COMMISSIONER DAVIS: Well, I assure you that that's

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1 one of the things I want to look at very carefully, because
2 once you disestablish ranges and testing facilities, it's
3 very difficult to get them back in case of emergency.

4 ADMIRAL BOORDA: I might add that a lot of my
5 thought on this was not driven by the numbers but by the
6 irrevocable loss of air space where you can do things you
7 can't do anywhere else in this country; and I know you
8 understand that well.

9 COMMISSIONER DAVIS: Thank you. Thank you, Mr.
10 Chairman.

11 CHAIRMAN DIXON: Thank you very much, Commissioner
12 Davis. Commissioner Kling.

13 COMMISSIONER KLING: Thank you, Mr. Chairman. Just
14 two questions. Secretary Dalton, did the Navy review any of
15 the lease and sale offers made by building owners in Crystal
16 City and, if reviews were made of these offers, why were they
17 not accepted by the Navy?

18 SECRETARY DALTON: Commissioner Kling, yes, sir, we
19 did review presentations made to us with respect to Crystal
20 City and found that they were not in the Department of the
21 Navy's best interests and, therefore, did not change the
22 decisions that were made as part of the BRAC '93 process.

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1 COMMISSIONER KLING: Sounds like a good answer to
2 me, Mr. Secretary.

3 Lastly, not to beat the subject to death again, but
4 let me just ask this question. Following the recision in the
5 fiscal year '94 funds for base closing activities, the Navy
6 essentially borrowed funds from the Army and the Air Force
7 and that was to meet its needs during fiscal year '94.

8 In fiscal year '95, will the Navy pay back the
9 other services, number one? And the funds were not included
10 in the fiscal year '95 appropriation, I don't believe. What
11 impact will this payback requirement have on the Navy's
12 ability to implement previous closures?

13 SECRETARY DALTON: Commissioner Kling, I will be
14 delighted to once again give to Secretary Widnall and
15 Secretary West the IOUs we've given them at prior times. No,
16 sir, I don't know of any funds that are "owed" from us to the
17 other services.

18 COMMISSIONER KLING: So there was none borrowed?

19 MR. PIRIE: The other services had substantial
20 unobligated balances, and so the actual obligation authority
21 was available, so it was simply a matter of shifting the
22 obligation authority from one year to the other. So it

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1 sounds like a loan, but it really wasn't. We just got to
2 spend faster than they did.

3 And, incidentally, it gives me the opportunity to
4 say that we have obligated every penny of the money the
5 taxpayers are giving us to do this job.

6 COMMISSIONER KLING: So, just to finish it out, you
7 will not be repaying the Army or the Air Force for these
8 funds?

9 MR. PIRIE: No, we will be repaying them.

10 COMMISSIONER KLING: You will be repaying them?

11 MR. PIRIE: Yes. Yes.

12 COMMISSIONER KLING: And those funds, have they
13 been appropriated now to repay?

14 MR. PIRIE: They are on our request, yes.

15 COMMISSIONER KLING: Thank you.

16 CHAIRMAN DIXON: Thank you very much, Commissioner
17 Kling. I'm going to summarize with a few questions,
18 gentlemen, and again, I express the deep appreciation of
19 everybody on this panel for your forthright answers to all of
20 our questions and your cooperation in staying here all this
21 morning for these important questions to be asked.

22 I'm going to ask a question from Senator Wendell

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1 Ford of Kentucky now. In doing that, let me make this
2 observation. I said the other day, I'm going to ask
3 questions as they come to me from Members of the Congress,
4 Members of the House and Senate.

5 I had a letter of criticism from a distinguished
6 Senator because I asked a question the other day on behalf of
7 the delegation from New Mexico, the other Senator taking the
8 position that I had now favored one side, I guess, over the
9 other in respect to this.

10 I do not favor any side over the other. We'll make
11 these decisions on the basis of what we think is right. But,
12 quite frankly, we want to give an opportunity to Congressmen
13 and Senators who have been affected by a closure to ask a
14 tough question here. The whole object of this thing is not
15 to embarrass you folks, but to ask the really tough
16 questions, because we've got to find those tough answers.

17 Again, I'm not a volunteer for this job. I'm
18 drafted. If anybody in the office, the country, or the world
19 would prefer to take this job, they're welcome to it. But,
20 until such time as I can get out of this mischief I'm in,
21 I've got to ask these questions.

22 Now, Mr. Secretary, when I ask these of you, I take

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1 into account that you don't have all the statistical analysis
2 at hand, and I just ask you for a general response to these
3 two questions from the distinguished minority whip, Senator
4 Wendell Ford of Kentucky, and then later, if you'd supply
5 other answers, and we will see to it that the written
6 questions are sent to you as well.

7 Senator Ford asks of you, Mr. Secretary:

8 In regard to Naval surface warfare center in
9 Louisville, Kentucky, would you comment on the data used by
10 the Base Structure Evaluation Committee to make the decision
11 to place that facility on the list? I've heard the data call
12 information forwarded to the Department of the Navy Crane
13 Division and NAVSEA indicated the cost of moving the phalanx
14 work currently being done at Louisville to Crane, Indiana,
15 would be less than officials originally determined.

16 I also understand the discrepancies in those
17 figures were brought to the attention of the inspector
18 general, who conducted an audit and verified that, indeed,
19 the figures submitted were not correct and the cost of moving
20 the work to Crane, Indiana, would be higher than the figures
21 given to the Navy's Base Structure Evaluation Committee.

22 Please comment on this information and we would

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1 request that a copy of the inspector general's audit be
2 provided to this Commission.

3 And, on behalf of the distinguished whip, I do make
4 that request. Could you answer that, Mr. Secretary?

5 SECRETARY DALTON: Yes, sir, Mr. Chairman. We'll
6 be happy to provide that information to you. We did hear of
7 some concern expressed in terms of how the work was done at
8 Louisville. We had the Navy Audit Service review it, and are
9 satisfied with their review, and will be happy to make that
10 available to the Commission.

11 CHAIRMAN DIXON: And if you would, please supply
12 all of that information. And I hasten to add, I do not side
13 with the two distinguished Senators from Kentucky against the
14 two distinguished Senators from Indiana. I ask the questions
15 so that the file will be replete with all the facts so that,
16 when these eight Commissioners ultimately make their
17 decision, we will predicate it upon facts.

18 SECRETARY DALTON: Yes, sir. We'll be happy to
19 provide that.

20 CHAIRMAN DIXON: And the Senator further asks --
21 Senator Wendell Ford of Kentucky, the distinguished minority
22 whip asks:

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1 Also, in the case of Naval Surface Warfare Center
2 Louisville, how do you evaluate and justify splintering the
3 current work being done by the Louisville work force of
4 engineers and machinists, those places being Norfolk,
5 2Virginia; Port Hueneme, California; and Crane, Indiana?

6 Was not it the determination of an early BRAC
7 Commission to not close the Louisville facility in order to
8 keep the Navy's five-inch gun work and now phalanx work
9 consolidated and centrally located to ship ports on both
10 coasts of the United States?

11 SECRETARY DALTON: Senator, I think that there are
12 a number of cases in which decisions that we made in the BRAC
13 '95 process were indeed different than previous BRAC
14 decisions that were made, but I think the circumstances have
15 changed.

16 In the case of this specific issue, we have many
17 fewer ships than we had then, and there were other
18 considerations that led us to the final decisions that we
19 made.

20 CHAIRMAN DIXON: Thank you, Mr. Secretary.

21 Incidentally, I see a distinguished Congressman in
22 the room. Perhaps there are others. I see an old friend of

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1 mine, the distinguished senior Senator from Maryland, others
2 in the room.

3 I hasten to advise everybody that in June, after
4 we've visited all the bases and after we've had all the
5 hearings around the country, the regional hearings, we'll be
6 back here in the city for three days with Members of the
7 Congress, to ask us all the hard questions and to develop
8 finally this data to their satisfaction, before we make our
9 decisions.

10 Now, Mr. Secretary, it's important that I ask you
11 this question. Incidentally, may I express to all of you
12 again our profound appreciation? You've been very patient,
13 given us more time than we're probably entitled to, but we
14 appreciate the fact that you're doing this and it's helpful
15 to us in servicing these problems and doing the right job as
16 you want to do it for the country.

17 Mr. Secretary, given the limitations on the base
18 closure process by current Title 10 restrictions and the fact
19 that excess capacity will more than likely remain -- excess
20 capacity will remain -- after this last and final round under
21 the current base closure law, are you prepared now to say
22 what method you would recommend for consideration in future

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1 base closure efforts or would you like time to do that?

2 SECRETARY DALTON: Mr. Chairman, I think that the
3 base closure process is a good one and I think that the law
4 that was established in 1990 and amended at that time was one
5 in which we essentially can take the politics out of a
6 difficult decision with respect to base closure, in that the
7 Congress has to vote up or down on the whole package after it
8 being presented by the President.

9 So I think the process makes sense. We support the
10 process. In terms of when another round of closures should
11 take place, if at all, I think that we would like to have a
12 few years to assess where we are, to see, indeed, can we get
13 where we expect to be with respect to what has been done in
14 BRAC '95 and previous rounds of closure.

15 I would think some three or four years from now
16 would be an appropriate time to reconsider another round of
17 BRAC closures. We will know better where we stand then. The
18 closures of '88, '91, and '93 will have hopefully taken place
19 by that time and be consummated, and we will be close to
20 effecting the closures in the BRAC '95 process. In many
21 cases, they will be complete, as well.

22 I think that having the opportunity to assess the

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1 situation then, and look at the Navy Department at that time
2 and see how our situation may have changed, I think that
3 would be the appropriate time to consider that.

4 With respect to your position and your offering
5 yourself or anyone else to take the job that you and your
6 fellow Commissioners have taken, I just want to tell you how
7 important the job is that you do and let you know how much we
8 in the Navy Department appreciate your public service and
9 congratulate you on your recent confirmation this past week.

10 We pledge the complete support of the Department of
11 the Navy to provide you whatever information you may need,
12 additional staff work, additional criteria or the results of
13 our studies, make those available to you to assist you in the
14 process.

15 CHAIRMAN DIXON: Thank you very much, Mr.
16 Secretary. I appreciate your remarks. I would appreciate it
17 very much if your shop would work with us in connection with
18 the work we are doing to recommend to the Congress what
19 should be done with respect to a review of this at a later
20 date. Again, I hasten to add, not with another round in
21 1997. Nobody's suggesting that. I'm pretty sure everybody's
22 had their fill for now.

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1 At the same time, I'm pretty sure that most of us
2 recognize the fact that there will be some excess capacity
3 there. We haven't been able to deal with all of it in this
4 round. I don't think we ought to deal with all of it in this
5 round, and I have said that repeatedly, including when I
6 presented myself before the Armed Services Committee for
7 confirmation and then before the Senate.

8 So we will thank you for working with us, Mr.
9 Secretary, as you have been so very cooperative, along with
10 your colleagues this morning. We thank you all.

11 I want to say to you, Mr. Secretary, and to your
12 colleagues, we'll have some follow-up questions in writing,
13 some detailed questions, both from the staff here and from
14 the Commissioners and some Members of Congress. I hope
15 you'll get the answers back to us as soon as possible for our
16 review and analysis, because we're going right ahead with our
17 hearings this month.

18 We're going ahead, incidentally, this month,
19 towards the end of this month and throughout April, on the
20 visitations to all the bases that are affected by this round
21 and then we are going to have our regional hearings. Many of
22 those have been selected.

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1 Can you excuse me for a minute?

2 (A discussion was held off the record.)

3 CHAIRMAN DIXON: I want to say that we've pretty
4 well generally discussed where we're going to have major
5 hearings around the country within a day's drive of affected
6 bases. But some people were here -- Congressman **Doggett
7 and the Mayor of Austin this morning, and others -- inviting
8 us to come to Austin.

9 I just want to say to everybody, we'll always look
10 at their invitations. Obviously, there's a limit to how many
11 of these hearings we can hold, simply by virtue of the
12 limited ability of the Commissioners to go to all these
13 places. And then we'll be back here to the Congress to let
14 them beat us up in June and then we'll get, in apt time, to
15 the President of the United States, the revised list.

16 I'm pleased to announce now that we're in
17 adjournment until 1:30 this afternoon, in this room, where we
18 will hear testimony from the distinguished Secretary of the
19 Air Force and other people involved in that process. Thank
20 you very much. This morning's hearing is adjourned.

21 (Whereupon, at 1:30 p.m., a luncheon recess was
22 taken.)

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A F T E R N O O N S E S S I O N

(1:30 p.m.)

CHAIRMAN DIXON: Good afternoon, ladies and gentlemen, and welcome. This is the second of four hearings today and tomorrow 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 today the Honorable Sheila Widnall, the Secretary of the Air Force; General Ronald Fogleman, the Chief of Staff of the Air Force; General Thomas Moorman, the Vice Chief of Staff of the Air Force; Major General J.D. Blume Jr., the Special Assistant to the Chief for Base Realignment and Transition.

Before we begin with Secretary Widnall's opening statement, let me say that in 1993, as part of the National Defense Authorization Act for Fiscal '94, 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.

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1 Madam Secretary, are there other persons here with
2 you in addition to those at the table whom you believe might
3 be required to give answers to the Commission this afternoon?

4 SECRETARY WIDNALL: Yes, Mr. Chairman. We have an
5 additional six people who will testify.

6 CHAIRMAN DIXON: Thank you. If so, may I ask that
7 the four distinguished people at the front table and the
8 other six distinguished people in the audience all rise and
9 raise your hands, please.

10 (Witnesses sworn.)

11 CHAIRMAN DIXON: Secretary Widnall, please begin.
12 Thank you for being with us.

13 SECRETARY WIDNALL: Thank you very much, Mr.
14 Chairman. I'm pleased to have the opportunity to appear
15 before the Defense Base Closure and Realignment Commission
16 today to discuss the Air Force base closure and realignment
17 recommendations. General Fogleman and I look forward to
18 working with the Commission as it considers these
19 recommendations over the next several months.

20 The Air Force recommendations include 12 base or
21 activity closures, 7 realignments and 7 actions requesting
22 redirects of prior Commission recommendations. These

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1 recommendations are the fourth installment of a plan to
2 restructure our bases to support United States national
3 security interests into the next century.

4 Taken with the prior three rounds of BRAC, the
5 withdrawal from overseas bases and the other Air Force
6 downsizing activities, these 1995 recommendations will result
7 in a total reduction of our physical plant infrastructure by
8 approximately 25 percent.

9 We are proud of the fact that 71 percent of all
10 anticipated BRAC savings through FY '99 are as a result of
11 Air Force base closure and realignment activities.

12 In the first three base closure rounds, the Air
13 Force focused primarily on closing operational bases. We
14 closed or realigned 18 active duty large and small aircraft
15 bases. We closed or realigned only one industrial technical
16 support base.

17 These support bases, falling in the categories of
18 labs, product centers and logistic centers were necessarily
19 the focus of a great deal of our efforts in this 1995 round.
20 Our efforts to select bases for closure or realignment were
21 guided by a number of over-arching imperatives.

22 First and most obviously, we had to reduce excess

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1 capacity in our physical plant infrastructure. This is never
2 easy. All Air Force bases are outstanding installations that
3 stand as a credit to our nation and the communities that
4 surround them. However, we had to reduce unneeded capacity
5 to save taxpayer dollars and to preserve limited future
6 funds.

7 In selecting bases for closure or realignment, we
8 sought to achieve a basing structure that would satisfy
9 current and future operational requirements. These
10 recommendations accomplish that vital goal.

11 They also permit the Air Force to retain important
12 capabilities to surge in the time of national crisis and to
13 absorb units returning from closed or downsized overseas
14 bases.

15 The Air Force places critical emphasis on air space
16 needed to train and maintain combat readiness. This resource
17 is the cornerstone of a realistic training which saves lives
18 in combat and provides the winning margin.

19 Our recommendations reflect this absolute
20 requirement and the need to bed down force structure in a
21 manner that permits an operations tempo sufficient to achieve
22 training and mission objectives.

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1 Last but certainly not least we absolutely had to
2 approach the task of downsizing in a financially responsible
3 manner. We had to design recommendations that we could, in
4 fact, afford to implement.

5 Our budget is limited, and closure dollars come at
6 the expense of other vital Air Force programs. The
7 recommendations before you strike the appropriate balance.
8 They are recommendations we believe we can afford to
9 implement within our budget. They will achieve real cost
10 savings, and they will provide solid returns on our
11 investment.

12 Let me briefly describe the process by which the
13 Air Force arrived at its recommendations. The selection
14 process was similar to the ones used in prior rounds. In
15 January of last year, I appointed a Base Closure Executive
16 Group of general officers and civilian equivalents to review
17 all Air Force installations in the United States that met or
18 exceeded the legal requirements for consideration.

19 The BCEG worked extraordinarily hard. With
20 assistance from the installations and major commands, they
21 collected, verified and analyzed data on all of these
22 installations.

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1 The Air Force Audit Agency continually reviewed the
2 process to ensure accuracy. The BCEG presented the results
3 of their analysis to me and to General Fogleman. During a
4 series of more than 20 meetings, we thoroughly discussed the
5 underlying data, base evaluations and options.

6 Throughout this process, the Air Force also worked
7 extensively with the Joint Cross-Service Groups, collecting
8 data, analyzing and considering alternatives developed by the
9 Joint Cross-Service Group and responding with comments and
10 cost analysis.

11 The recommendation to close Rome Laboratory is a
12 result of this joint cross-service process. The Laboratory
13 Joint Cross-Service Group recommended the Air Force consider
14 the closure of Rome Labs, and the Air Force adopted this
15 proposal, recommending that the activities at Rome Lab be
16 relocated Fort Monmouth and Hanscom Air Force Base.

17 The movement to Fort Monmouth will increase
18 interservice cooperation and common C-3 research. The Air
19 Force recommendation regarding the depot category is worthy
20 of special comment.

21 I assume that later we will have an opportunity to
22 discuss this recommendation in greater detail, but I want to

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1 touch briefly on it now. It is, in my view, an innovative
2 and much needed solution to a complex problem.

3 The Air Force has excess capacity across the five
4 Air Force depots. However, when we started to consider
5 closing one or even two depots, it became apparent that the
6 cost of a full closure was effectively prohibitive.

7 Including environmental costs, which must become a
8 part of our budget planning, we estimated that it would cost
9 in the range of 800 million each to close the depots. Put
10 another way, the full cost to close a single depot would
11 consume most of the total amount budgeted for the next six
12 years for all of the Air Force 1995 closures and
13 realignments.

14 In addition, the return in future savings would be
15 much smaller than what we could achieve in other types of
16 closures. As I suggested earlier, an essential goal in the
17 Air Force base closure analysis was to ensure that each base
18 we propose for closure would make clear economic sense and
19 that future budget savings would exceed budget costs.

20 Undertaking large, unbudgeted efforts would clearly
21 jeopardize the future recapitalization and modernization of
22 Air Force programs. We simply had to find a better way to

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1 get this job done, and we did.

2 The recommendation before you reflects a creative
3 alternative to full closure, an alternative that will
4 decrease excess capacity in a way that makes operational
5 sense and that will achieve savings at a realistic cost.

6 This recommendation is fiscally sensible and does
7 not place at risk Air Force dollars needed for readiness,
8 modernization and quality of life for Air Force personnel.

9 The Air Force BRAC depot recommendation is also
10 part of a broader Air Force effort to downsize and achieve
11 savings within our depot structure. Program work reductions,
12 downsizing through contracting or transfer to other service
13 depots and the recommended BRAC consolidations will achieve a
14 total real property infrastructure reduction equal to one and
15 a half depots and a manpower capacity reduction equivalent to
16 nearly two depots.

17 The BRAC recommendations must be recognized as only
18 a portion of this overall strategy. The Air Force
19 recommendations are a total package. They provide for a base
20 structure that is needed to support the current and future
21 Air Force mission. They are balanced and reflect sound
22 financial policy. They protect the Air Force of the future.

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1 Thank you.

2 CHAIRMAN DIXON: Thank you very much, Secretary
3 Widnall. We appreciate your remarks. General Fogleman.

4 GENERAL FOGLEMAN: Mr. Chairman, members of the
5 Commission, it's an honor to represent the Air Force here
6 this afternoon. I look forward to working with the
7 Commission as you consider the recommendations that have been
8 forwarded to you by the Secretary of Defense.

9 I'll tell you right up front that recommending
10 these closures and realignments was not an easy decision.
11 These bases are all outstanding installations.

12 Having been a commander at virtually every level,
13 every organizational level within the Department of Defense,
14 I appreciate the close relations that have been formed over
15 the years with the communities that support these
16 installations.

17 I also realize that these actions are going to
18 affect good people who have done an awful lot in the past for
19 the Air Force men and women, but this being the case, I will
20 also tell you that we must take these actions.

21 By reducing our infrastructure, we are better
22 positioning the Air Force to meet the nation's needs in the

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1 long run, and these recommendations do not harm Air Force
2 readiness today or tomorrow.

3 We will have sufficient air space, training routes
4 and ranges to train and maintain critical combat skills. The
5 remaining bases and infrastructure allow us to support the
6 current security strategy as outlined by Secretary Perry and
7 Chairman Shalikashvili last week.

8 The remaining CONUS infrastructure permits a hedge
9 against future requirements if we should need to return
10 overseas force structure as a result of host nation
11 facilities being returned to host nations.

12 So these proposals will position us well for the
13 future. As I look ahead to the 21st century, let me share
14 with you some thoughts on how we might approach the
15 possibility of future closure and realignment actions as you
16 requested in your letter of instructions.

17 First, we need a sunset clause on current force
18 structure actions directed by this and previous BRACs. By
19 that I mean the services should be allowed future
20 realignments as required for operational requirements. As a
21 service chief, I need the freedom to propose prudent moves
22 after proper consultation with Congress.

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1 Second, having said this, I would also tell you
2 that, in my view, we need to put a hold on any new BRAC
3 actions for the next five to seven years. This will provide
4 some much-needed stability for our people and the communities
5 supporting our installations.

6 Finally, if force structure reductions do occur in
7 the future, we should reexamine our basing again, and such
8 future BRAC actions, in my view, should be initiated by the
9 Sec Def coming to the Congress and asking for new
10 legislation.

11 We are prepared to discuss these in more detail or
12 provide you inputs at the appropriate point in your
13 deliberations and future BRAC actions. With this as an
14 overview, I'm now prepared to answer any questions that you
15 may have.

16 Before doing that, though, Mr. Chairman, I think
17 it's important that you know that based on a ruling by our
18 general counsel, I recused myself from considering small
19 aircraft bases and laboratories. This is a result of
20 financial interests that I have in a home outside of Kirtland
21 Air Force Base in New Mexico and a home that I have in
22 Tucson, Arizona, outside of Davis Monthan. Thank you.

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1 CHAIRMAN DIXON: Thank you very much, General. All
2 of us probably will have a moment when we'll have to recuse
3 ourselves before this process is over. General Moorman, did
4 you have a statement?

5 GENERAL MOORMAN: No. No, sir.

6 CHAIRMAN DIXON: General Blume?

7 GENERAL BLUME: No, sir, I don't.

8 CHAIRMAN DIXON: Now, let me ask you, Secretary
9 Widnall, how will we do this with the six other folks back
10 there that have indicated they're going to testify? Because
11 if they do testify, we'll want them to get a microphone.

12 Maybe they could pull their chairs up in a more
13 comfortable position. Would the six of them mind doing that?
14 Are your chairs portable that you're sitting in there? Can
15 you get them up there around the table so that if we need to
16 call upon you for some expertise you can grab the mike and do
17 your little bit? We'll wait for you all to get comfortable
18 here.

19 SECRETARY WIDNALL: Just let me indicate that the
20 group has elected me quarterback, and the other members,
21 including General Fogleman, General Moorman, General Blume
22 and everybody else are designated as pinch-hitters in

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1 specific areas.

2 CHAIRMAN DIXON: Thank you, Madam Secretary. I
3 would suggest in the course of the proceedings, as questions
4 are directed to you, if you don't have the complete answer
5 and want to refer it to someone else, identify who you're
6 referring it to, and we'll go ahead in that way.

7 Now the Chair is pleased to recognize for the first
8 questions in our panel a former distinguished four-star
9 general in the United States Air Force with 35 years of
10 service.

11 We've decided that before we go into the round of
12 questioning from the Commissioners, we will ask some general
13 questions. Secretary Widnall, did the Office of Secretary of
14 Defense remove or add any installation closures or
15 realignments from your recommendations to the Secretary?

16 SECRETARY WIDNALL: No.

17 CHAIRMAN DIXON: Did the Office of Secretary of
18 Defense instruct your service to place or not to place any
19 specific installations for closure or realignment on your
20 listed recommendations to the Secretary?

21 SECRETARY WIDNALL: No.

22 CHAIRMAN DIXON: Did anyone in the Administration

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1 instruct you not to place any specific installations for
2 closure or realignment on your listed recommendations to the
3 Secretary?

4 SECRETARY WIDNALL: No.

5 CHAIRMAN DIXON: Did you or the Office of Secretary
6 of Defense remove any installations from the recommendations
7 solely for reasons of economic or environmental impact?

8 SECRETARY WIDNALL: No.

9 CHAIRMAN DIXON: And you yourself did not do so.
10 This morning the Secretary of the Navy said he himself
11 undertook, in the exercise of his own discretion, to make
12 some changes, but you did not?

13 SECRETARY WIDNALL: No. I did not do that.

14 CHAIRMAN DIXON: I thank you very much. Now, if I
15 were to ask that question of you, General Fogleman, would
16 there be any change in your answers from that of the
17 Secretary?

18 GENERAL FOGLEMAN: No, sir. They would be the
19 same.

20 CHAIRMAN DIXON: General Moorman?

21 GENERAL MOORMAN: No, sir. They would be the same.

22 CHAIRMAN DIXON: General Blume?

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1 GENERAL BLUME: They would be the same, sir.

2 CHAIRMAN DIXON: Then, it is now my privilege to
3 recognize a gentleman who served a distinguished career of 25
4 years in the U.S. Air Force, retired as a four-star general,
5 General J.B. Davis.

6 COMMISSIONER DAVIS: Thank you, Mr. Chairman. I'd
7 like to welcome the blue suiters to the table. Clearly, one
8 of the things that concerned all of us, and I know it
9 concerns you in specific, the services are on record saying
10 that the '95 BRAC, Madam Secretary, was a necessary evil so
11 we could meet the out-year money requirement both in the
12 readiness and in the modernization accounts.

13 Given the results of '91, '93 and clearly now the
14 '95 proposal, do you have adequate monies programmed for
15 those two accounts in your FIDIP now?

16 SECRETARY WIDNALL: Yes. We have the amount we
17 need to execute this plan, certainly order of magnitude.

18 COMMISSIONER DAVIS: And you won't have to come
19 back and ask for a supplemental because of the --

20 SECRETARY WIDNALL: No. No, we will not have to
21 ask for a supplemental.

22 COMMISSIONER DAVIS: Given everything pays out at

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1 the rate you've computed?

2 SECRETARY WIDNALL: That's right.

3 COMMISSIONER DAVIS: Well, Madam Secretary, the hot
4 topic around the staff and the Commission and several other
5 people have been the depot subject. It has created quite a
6 stir in some of the mathematics that went into it, and you've
7 already provided us some of the data.

8 Could I ask you to, sort of, give us your
9 philosophy on how you came to this decision other than the
10 numbers? I mean, what impacts on it? What was the thought
11 process? Were there economic impacts that guided your
12 decision? Were there environmental impacts, et cetera?

13 SECRETARY WIDNALL: Well, in terms of philosophy, I
14 mean, the fundamental philosophy was that we were trying to
15 do what is in the best interests of the Air Force, and we did
16 examine, really, a number of alternatives, and we certainly
17 did the costing for all of those alternatives.

18 I think there were additional things beyond
19 economics that drove it, but certainly the economic package
20 is very attractive, but we really began to ask ourselves
21 whether we couldn't reduce excess capacity at each individual
22 depot, consolidate workload, do things in a more efficient

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1 and streamlined way, I think just sound, sort of, management
2 questions.

3 And as we began looking into this possibility, I
4 believe we emerged with an extremely attractive package.
5 Now, we would, at some stage in this process, really be very
6 pleased to have you go through our analysis with us and see
7 the specifics of what we're proposing. It might help to
8 clear the air for some of the future specific questions that
9 we might get asked.

10 CHAIRMAN DIXON: I think we'll give General Davis
11 the additional time necessary to do that right now, and I
12 wonder, Madam Secretary, if others need to assist you in this
13 process, because this is a major concern, one we want to
14 thoroughly investigate, and I think it's entirely proper that
15 General Davis accommodate the rest of us on the Commission by
16 leading that inquiry right now, if you will accommodate him.

17 SECRETARY WIDNALL: Okay. Well, what I would
18 suggest is that we have Mr. Beach make a presentation on our
19 overall financial analysis and some of the costing issues and
20 that Mr. Orr speak to the specifics of the depot proposal --
21 capacity, product workload and some of the realignment
22 issues. If we could do that now, I think it would -- in the

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1 end, I believe it will save a lot of time.

2 CHAIRMAN DIXON: Are you gentlemen going to be
3 using some charts here?

4 MR. BEACH: Yes, Mr. Chairman.

5 CHAIRMAN DIXON: Now, identify yourself fully for
6 the record.

7 MR. BEACH: Mr. Chairman, my name is John Beach.
8 I'm the Principal Deputy Assistant Secretary in the Air Force
9 for Financial Management, and I am a member of the BCEG
10 Group, which the Secretary and the Chief described earlier.
11 My responsibilities on the Group pertain principally to
12 finance and budget.

13 CHAIRMAN DIXON: Are you going to be assisted by
14 anyone, sir?

15 MR. BEACH: No. I will do about a four- or five-
16 minute presentation using four charts, which I hope will
17 answer the question that General Davis just asked, and also
18 provide you with some general background on how we came to
19 the decisions that we did.

20 CHAIRMAN DIXON: Now, you proceed, then, and if you
21 need assistance from others, I only ask that they identify
22 themselves for the record fully, and General Davis will do

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1 the questioning for the panel.

2 MR. BEACH: Very good. Thank you, Mr. Chairman.
3 If I could have the next chart, please. I hope that you can
4 see these numbers from where you are.

5 The point in this chart is that we would like to go
6 back and identify for you what the Air Force has tried to
7 accomplish in all four of the Commissions; that is, the '88
8 Commission, the '91 Commission and the '93 Commission.

9 Our belief was that by the time we got to the '95
10 Commission we had pretty much achieved what we wanted to in
11 the way of closure and realignment of operational bases, and
12 we were now addressing the tough question which deals with
13 support.

14 What we found when we got to the '95 Commission was
15 that we had the option of looking at various depot closures
16 or depot realignments, and I will come to that in a moment.
17 But the point in this chart is to demonstrate that the Air
18 Force started out very early in the closure process by
19 closing and realigning a number of operational bases in the
20 early commissions.

21 When you see in the next chart, up here you'll see
22 some of the consequences of getting an early start in the

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1 base closure process, which we did in the earlier
2 commissions.

3 This quotation is taken from Secretary of Defense
4 Perry's Blue Top budget presentation this past February. In
5 that Blue Top statement, the Department of Defense states
6 that in the first three Base Closure Commissions; that is,
7 the '88 Commission, the '91 and the '93 Commission, savings
8 of about \$6.6 billion were achieved.

9 Now, there are more savings to come because there
10 are more bases to close, but in those first three rounds at
11 the point we're at right now, the Air Force represents about
12 4.7 billion of that 6.6 billion in savings to date.

13 And the reason for that is what we talked about in
14 the previous chart, that in the '88 Commission and in the '91
15 Commission over 50 percent of the closures were in the Air
16 Force.

17 Now we're seeing some of the results of those early closures
18 in terms of accumulating savings at this point. We
19 recognize, of course, that there is a lot more to come in the
20 '93 Commission as well as more to come, of course, in the '95
21 Commission.

22 But we point out to you that one of the

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1 considerations that we had was that we looked at the base
2 closure package in '95 as one of a continuum of four closure
3 packages. If we could go on to the next chart, please.

4 One of the key concerns that we have had in all of
5 our base closure deliberations is what the Secretary talked
6 about in her opening comments. That is, we want to make sure
7 that what decisions we make in the '95 Commission we can
8 execute, that we have appropriate funds available from which
9 to make these closures.

10 Part of the difficulty that we have seen in the
11 past is that when you look at the traditional COBRA analysis,
12 which is part of the base closure requirements that we go
13 through, the costing that you see in the COBRA models does
14 not translate easily to what's going to happen in the budget.

15 The bottom line for us, for the secretary and the
16 chief, is that when we complete these closures, we want to be
17 able to deliver on the question that General Davis just
18 mentioned; that is, can we afford these closures? Can we
19 make them happen for the funds that we're talking about here?

20 What we don't want to have happen is traditionally
21 have some sort of a cost overrun three or four years from now
22 when we have to go back and seek more funds in order to

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1 complete those closures.

2 In order to translate the numbers from the COBRA
3 model into the budget so that we can see whether we are
4 indeed capable of achieving these closures in '95 I think is
5 an important translation, and you can see from these charts
6 that when we started with the COBRA analysis we found that
7 there were two changes that we had to make in the COBRA
8 figures in order to translate them into the budget.

9 The first is that the COBRA numbers require that we
10 not address environmental cost, and one of the keys for us is
11 that when we close a large base or we close a depot, we know
12 that the Air Force, any of the military departments, will
13 incur expenses for those closures as a result of the
14 environmental requirements of cleaning up that base before it
15 can be handed over to whoever the receiver organization is.

16 The COBRA model does very well. It's very helpful,
17 in terms of our internal analysis, but I think, in addition
18 to that, we need to be very sure that we put enough money in
19 the budget in the Air Force top line so that we can cover
20 environmental costs which are not part of the COBRA cost
21 analysis.

22 The second consideration that we have to make is

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1 that if we could make all the closures today and achieve all
2 the savings today, then we wouldn't have to worry about the
3 effects of inflation.

4 But here we'll dealing with long-term investments.
5 That is, we're willing to invest money today to close a
6 military installation, knowing that it may be seven, eight,
7 nine or ten years before that closure is handed off to the
8 receiving agency.

9 We want to make sure that we not only budget
10 appropriately for environmental cost, but we also must make
11 sure that we have enough money to cover the effects of
12 inflation over that period.

13 What we've discovered in this analysis is, to go
14 directly to answer the question that General Davis asked a
15 moment ago is we have put a little over \$1 billion in the Air
16 Force budget for the next six years to cover the cost of
17 closures in the '95 Commission. Our estimate today, if you
18 include environmental cost plus inflation, is that those
19 closures will come to about 1.5 billion. Identified on that
20 chart is 1,595,000,000.

21 Right now, as I said, our budget for those six
22 years is 1,048,000,000. That suggests that we have a

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1 shortfall of about 547 million, but as the Secretary said a
2 few moments ago, we think our savings from the closures that
3 we have right now will be higher than what we originally
4 estimated when we put the budget together last year.

5 The 868 million that we had in the budget for
6 savings from the '95 Commission we think we can achieve a
7 billion, two, a little more than a billion, two.

8 What this means is that we think our savings will
9 be higher than originally anticipated, but we also recognize
10 that because of environmental cost, because of the cost of
11 inflation over the next six years that the cost of those
12 closures is a little greater than what we had in the budget
13 in net.

14 I think, as the Secretary said, that from a
15 financial standpoint, we can afford the closure package that
16 we have before this Commission today, and that recognizes
17 that we're going to see some environmental cost, and we're
18 going to see some inflation.

19 The problem that we face concerning the depot
20 question, which is, as you said, Mr. Chairman, very much on
21 the minds of many people today is covered in the next chart.

22 In the middle of the chart is what we are currently

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1 budgeted for in the Air Force, as I mentioned,
2 \$1,048,000,000. That's what we have to pay for these
3 closures, and you see the associated savings number inside
4 that rectangular script on the chart.

5 Now to the depot question. When we were going
6 through this, we had an eye on what it would cost to close
7 depots. The question now, as the Secretary also addressed in
8 her opening comments, is that we found that a full closure of
9 an Air Force depot is relatively expensive because, number
10 one, they're large; number two, they're well organized, and
11 you have a lot of work going on in those depots, and it takes
12 quite a little time to actually close down one of those, in
13 sense of a full closure.

14 We also noted, in some of our work, as we mentioned
15 earlier, that the environmental cost from what we could get
16 in the way of internal estimates suggests that the cleaning
17 up of a depot is a very expensive process and time consuming.

18 The question before us was how do we get rid of the
19 excess capacity in the depots knowing full well up front that
20 if we go out for a full closure it will bust our budget? In
21 other words, we'll incur a cost overrun through or four years
22 from now when the Air Force is looking for an increase in

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1 their modernization program and have to transfer those funds
2 from a modernization account in order to meet these
3 "unexpected expenses."

4 What we're trying to accomplish here in our
5 financial analysis of the '95 Commission is look far enough
6 in the future to make sure that you can afford what you're
7 doing in terms of depot closures.

8 The first option we looked at was closing two
9 depots, recognizing that our capacity suggested maybe a depot
10 to a depot and a half. But we looked carefully at the
11 possibility of closing two depots.

12 We found that that would cost, in itself, the
13 closure of the two depots, assuming \$300 million each for
14 environmental cost, that we could close those two depots for
15 about \$1.9 billion.

16 Experts have told us that my estimates on the
17 environmental cost are about half of what they would really
18 be, that we could expect environmental cost for a closure of
19 one of our depots to be, perhaps, in the range of \$6- or \$700
20 million alone. Hard to judge.

21 We really don't know the answer to that question,
22 but what we have determined, in addition to the cost of a

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1 closure of a depot, is that if you look at our closure
2 package in terms of a business investment; that is, are we
3 willing to invest so much money up front in order to save TOA
4 over a 6-year period or a 20-year period, we found that the
5 depots do not give us a good economic return.

6 And an economic return is measured in this sense --
7 that you say up front I'm going to incur a cost of closing a
8 depot, say \$900 million. How much of a return do I get over
9 20 years?

10 We found that in the sense of our depots, in the
11 context of each of our depots, whether you close one or you
12 close two, that the return over a 20-year period was about
13 half or less the rate of return that we were getting on most
14 of our other base closures.

15 What we've discovered is if you close two depots,
16 for example, you incur an up-front cost of \$1,853,000,000.
17 Over 20 years, we estimated the savings to be \$3,361,000,000.
18 At a compound annual rate of return, that means we get about
19 3 percent per year on our money.

20 In other words, our cost of front for every dollar
21 that we put up we can earn 3 percent per year in savings over
22 a 20-year period on that depot.

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1 What we found out in the nondepot area in the '95
2 Commission plus what we found out in our previous BRACs was
3 we expected a higher rate of return than that.

4 Given that a 30-year Treasury instrument today
5 returns about 7 and three-quarters percent, one could
6 question us, in terms of closing a depot, to achieve an
7 economic return of 3 percent or in that range of 3 percent.

8 We've also learned that if you put in what we think
9 are full costs for environmental closure of a depot, that
10 that economic return of 3 percent a year falls more into the
11 range of 1 to 2 percent a year.

12 This was very much in the back of our minds, as the
13 Secretary mentioned in her opening statement, when it comes
14 to making decisions with Air Force TOA about closing big
15 depots.

16 As she mentioned in her statement, we simply had to
17 find a better way of getting at this problem. We wanted to
18 get rid of capacity, on the one hand, which is very critical
19 to our future operations, but on the other hand, we don't
20 want to incur a cost that means we have to trade off money in
21 1998 and 1999 from other modernization programs in the Air
22 Force.

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1 That's the art form that we're involved in now, and
2 it gets right back to what General Davis mentioned earlier --
3 can you afford what you're doing? We have found that an
4 option for us, and one that we think will be very helpful for
5 the Commission to consider is rather than an outright closure
6 of a depot is realigning all five depots.

7 Now, this realignment means that we can go at it
8 just as fast. We can find efficiencies and economies in the
9 various depots, and in a minute Mr. Orr will describe that in
10 some detail for you.

11 But from a financial standpoint, we have found
12 these two observations about large Air Force depots: Number
13 one, they're very, very expensive to close. Number two, the
14 economic return, as measured in terms of how much cost are
15 you willing to invest up front to get TOA savings, real TOA
16 savings in subsequent years, we have found that depots do not
17 have a good economic return.

18 We think we understand pretty well why that's the
19 case. That, I think, those two financial considerations, I
20 think have led the Secretary and the Chief to ask us to
21 consider, as Mr. Orr will describe to you now, other options
22 which we think are quite capable of achieving the same

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1 results without bankrupting the Air Force modernization
2 program in the out years.

3 CHAIRMAN DIXON: If I may interrupt, General, I
4 want to ask the timekeeper to only begin the General's time
5 now and not charge any of it. General Davis.

6 COMMISSIONER DAVIS: Before you leave, a couple
7 mathematical questions for this simple fighter pilot from
8 Nebraska. You say the Air Force has achieved 71 percent of
9 the 6.6 billion. That's what's on paper. Have we come close
10 to that on a straight line analysis to achieving that same
11 fair share?

12 MR. BEACH: Good question. When the savings are
13 reported in the Department of Defense, either in a budget
14 document like the Blue Top, which I referred to earlier,
15 there is no accounting system in the Department of Defense
16 where we can go back in retrospect and measure those savings.

17 The way that the BRAC savings are identified and
18 applied, as far as the budget is concerned, is that when we
19 put a budget together and we put the cost in, the savings go
20 in at that point in the form of reducing our TOA top line.

21 But we have no viable method, no accounting
22 structure where we can go back and find out whether those

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1 savings actually occurred. We think they did, and we think
2 they occur pretty much along the lines that we have
3 indicated, because we have not had to go back and add a lot
4 of money in the previous rounds because either costs were
5 understated or because savings were overstated.

6 Emotionally, I have to give you the answer that I
7 think we've pretty much achieved the savings, but we have no
8 specific scorecard because the savings were laid in when we
9 started each one of these commissions, and it's not possible
10 for us to go back and check it out.

11 COMMISSIONER DAVIS: Thank you. Can I now go to
12 the cleanup? Is there not an account for the Air Force in
13 the Defense Environmental Restoration Account that would be
14 transferred to the Air Force as you demonstrate the
15 requirement for cleanup of the depots?

16 MR. BEACH: Yes, sir. There is a DERA account, and
17 depending on whether our bases are something that's called
18 the National Priority List, and I'm not the expert on this
19 point, there are some environmental funding sources that may
20 be transferred.

21 Our judgment, however, is that the adequacy of
22 those funds is very limited for this purpose. Certainly, we

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1 would want to try to catch any of those funds to help us
2 offset anything that we were doing in terms of a depot
3 closure.

4 COMMISSIONER DAVIS: And in the form of your
5 computations, did you look at all the depots and the cleanup
6 process and took the worst case, the middle case?

7 MR. BEACH: I looked at each one of the depots,
8 sir. I looked at it from a cost and economic standpoint. As
9 I mentioned, we believe that assuming \$300 million for a
10 depot closure, and in this case I was looking at the two
11 depots that finished in the bottom tier of our ranking
12 process, experts in the environmental area have told me that
13 that 300 million is an understated number.

14 But I don't think we need to overstate the number
15 or worry that it could be significantly understated, because
16 the analysis that we've done here, when we look at economic
17 rate of returns, suggests by such a wide margin that depot
18 closures are very difficult to accomplish, in an economic
19 sense.

20 COMMISSIONER DAVIS: And the Secretary testified
21 that you didn't take anything off, but it looks like that
22 because of our environmental cleanup considerations and the

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1 mathematics of this process that you decided to go with the
2 compelling numbers that the dollars and people gave you.

3 Are there other things, factors, that went into
4 this such as surge capacity within depots, possible joint
5 service initiatives?

6 MR. BEACH: Yes. There are other considerations,
7 as I mentioned at the start. I'm addressing here only the
8 financial considerations, but we have other folks here,
9 Mr. Ron Orr and others that can address the other
10 considerations. But the answer to your question is yes.
11 There are other factors that certainly play into this very
12 much.

13 Our general sense is that, of course, one of the
14 primary purposes of going through the base closure process,
15 which as General Fogleman described, is rather painful in a
16 lot of ways is that we do it for one primary reason anyway,
17 and that is to save money; that is, to save the taxpayers'
18 money. And we want to test ourselves, when we're doing this
19 process, to make sure that that's what we're doing.

20 COMMISSIONER DAVIS: Madam Secretary.

21 SECRETARY WIDNALL: I just was going to add it
22 might be appropriate at this point to have Mr. Orr present

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1 some of the substance of our depot realignment so we can
2 answer some of these questions about workload capacity.

3 COMMISSIONER DAVIS: Mr. Chairman, I'm out of time.

4 CHAIRMAN DIXON: Well, let's have Mr. Orr do his
5 thing right now, because it's right on point. And would you
6 identified yourself, Mr. Orr?

7 MR. ORR: I'm Ron Orr, the Air Force Associate
8 Director of Maintenance. I'd like to talk a little bit about
9 what we did, in terms of depot maintenance downsizing.

10 The key in downsizing was to divest ourselves of
11 excess capacity of about one to one and a half depot
12 equivalents, downsize to CORE and to ensure we were meeting
13 the manpower reductions that we needed to meet into the out
14 years also.

15 In our downsizing infrastructure, we looked at our
16 force structure realignments, and that is, as force structure
17 has gone down, we haven't always historically divested
18 ourselves of capacity.

19 Concurrent with that, we put together looking at
20 how we can move our force structure realignment. We can
21 squeeze down. Our people have spread into more space than
22 they need as well as we need to demolish a number of our

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1 older facilities no longer economically feasible that we
2 currently occupy.

3 We looked at downsizing the CORE, and that is as
4 recommended by the Defense Science Board as well as by the
5 DEPSECDEF, that we needed to posture ourselves to produce the
6 CORE requirements of the Air Force as are driven by the two
7 MRCs that we need to fight.

8 We looked at the commodity and process
9 consolidation. We looked across the Air Force. We reviewed
10 the commodities and the various processes that we perform at
11 all our depots. We looked at where we could consolidate
12 those at the minimum number of locations to maximize
13 efficiency in that process.

14 We developed a plan eliminating the excess
15 equipment and capacity as we downsize our locations and to
16 streamline the industrial layout to come up with the most
17 effective and cost-efficient structure.

18 Giving some examples of the commodities -- and the
19 Xs here represent locations that will be declining in
20 workload. The zeros recommend those that we will be
21 consolidating toward -- what you see here, for example, in
22 the composite and plastic area, we currently do that across

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1 five air logistic centers.

2 What we're looking at here is minimizing the number
3 of sites down to Sacramento, who will be doing the composites
4 workload. We will drastically reduce that workload at all
5 the other centers to get maximum efficiencies.

6 If I use engine-related, we only have two LCs that
7 currently do engine workload, and our intention there is at a
8 lower level than here at fuel accessories, et cetera. We'll
9 specialize each one of those depots and that type of
10 workload.

11 Airborne electronics is an example where we're
12 currently doing it at four. We looked at trying to put it at
13 one, but it was not the economically feasible thing to do.
14 So we currently are looking at three depots will be doing
15 that workload instead of four.

16 We even looked down at a lower level at processes,
17 shows a paint and depaint there, and that as we move
18 commodities around, what we intend to do is re-lay out those
19 shops to the workload that remains there and again cut out
20 the excess capacity and infrastructure.

21 In terms of the feasibility, the COBRA costing, we
22 looked at overall downsizing, the consolidations and

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1 realignments that we're talking about. It has about a \$183
2 million cost. You see a large payoff there in that present
3 value of \$991 million over 20 years.

4 It pays for itself within two years, and we get
5 approximately \$90 million a year savings. We felt this is a
6 cost-effective approach to downsizing our depots.

7 In addition, as other force structure goes out and
8 other downsizing actions go as part of the overall
9 downsizing, you can see with the F-111 phasing out we intend
10 to go in, rid ourselves of that excess capacity, and then
11 also we get savings in that light and other reductions,
12 primarily force structure driven, and downsizing to our CORE
13 requirement will give us additional savings.

14 Total downsizing costs will be about \$218 million.
15 You see a net present value there of close to 2.9 billion.
16 We felt this was a cost-effective and the most cost-effective
17 means of ridding ourselves of excess capacity.

18 What this means, in terms of infrastructure and in
19 terms of capacity, as measured by Department of Defense, in
20 terms of infrastructure, you see we'll be divesting ourselves
21 of over 6.8 million square feet of facilities, allowing that
22 for reuse where possible, demolishing the facilities,

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1 mothballing.

2 In reuse, we've looked at areas. For example, in
3 the recommendation, you'll see us moving the Air National
4 Guard on the McClellan Air Force Base, moving the Defense
5 Nuclear Agency onto Kelley Air Force Base, again to use up
6 excess capacity and use this facility in a wise manner.

7 In terms of capacity, capacity is measured in man
8 hours in the Department of Defense, and this shows that we
9 will downsize our capacity from a current capacity of over
10 39,000 hours per year, man hours per year, to approximately
11 30.7 man hours, ridding ourselves again of over one depot
12 equivalent's worth of capacity and therefore having the
13 correct capacity in place, divesting our of excess capacity,
14 downsizing toward the CORE, giving us a cost-effective method
15 of reducing or infrastructure in the depots.

16 CHAIRMAN DIXON: I thank you very much. I believe
17 we're going to let General Davis pursue this a moment
18 further. Commissioner Davis.

19 COMMISSIONER DAVIS: Thank you, Mr. Chairman. I
20 have a number of follow-up questions, and I promise to keep
21 it to a small amount. One of the problems, Madam Secretary,
22 that the staff and possibly other services might be having is

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1 the Navy has cut half their depots, and one keeps wondering
2 why they were able to do it without excessive costs. I guess
3 that will come out in the wash eventually.

4 The Secretary of Defense, Secretary Perry presented
5 a chart which compared cost savings of downsizing and
6 retaining all five logistic centers. And I did not see it --
7 it may have been in there -- but there were some nearly two-
8 thirds of savings under the downsizing alternative came from
9 the non-BRAC actions. Can you help us with these non-BRAC
10 actions?

11 SECRETARY WIDNALL: Yeah. I think we could put
12 that chart back up, the one that was --

13 COMMISSIONER DAVIS: Oh, there it is.

14 SECRETARY WIDNALL: We had a similar chart. Maybe
15 you could put ours up as well, because I think our chart was
16 the same. It might have been a little different titles, but
17 I think it's, basically, the same chart.

18 COMMISSIONER DAVIS: I was trying to follow it, but
19 I couldn't find it.

20 MR. ORR: I think what we do is we have a different
21 time period that we have net present value over, et cetera.
22 It is the same --

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1 SECRETARY WIDNALL: It really is the same chart.
2 It's certainly the same bottom line, all actions.

3 COMMISSIONER DAVIS: Is it the phaseout, the F-111
4 phaseout?

5 SECRETARY WIDNALL: I think it's the sum of the two
6 lines in the middle are Secretary Perry's middle line.

7 MR. ORR: He's broken out those two lines.

8 SECRETARY WIDNALL: The 13 and the 22.

9 COMMISSIONER DAVIS: We'll be able to --

10 SECRETARY WIDNALL: Sort it out. I think they are,
11 in fact, the same information.

12 COMMISSIONER DAVIS: All right. Well, that's most
13 useful.

14 Mr. Chairman, thank you very much.

15 CHAIRMAN DIXON: Before I go to the next
16 commissioner, Mr. Beach, I wonder if I could have you for
17 just a moment. The one thing that bothers us a little up
18 here at the staff level is the old dirty base problem.

19 An awful lot of your testimony, Mr. Beach, centers
20 on the environmental cost and leads us to some concerns about
21 whether these decisions are, in fact, being made on
22 environmental cost. Can you respond to that?

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1 SECRETARY WIDNALL: Maybe I should respond to that.

2 CHAIRMAN DIXON: Madam Secretary.

3 SECRETARY WIDNALL: It might be more appropriate
4 for me to respond to that. I guess what I would say about
5 Mr. Beach's numbers is that his analysis put in, in fact, a
6 very conservative number for environmental cost, \$300 million
7 for each of those bases.

8 Certainly, under the BRAC ground rules, we do not
9 consider environmental costs in our cost to closure. Even
10 without environmental costs, the numbers for depot closures
11 are very large. They're driven by military construction of -
12 - you know, facilities that already exist on one depot you
13 have to replicate on another depot.

14 Those are very good numbers, and they're certainly
15 in the submission that we gave to the Commission. All the
16 numbers that we gave you are without environmental costs.
17 Mr. Beach's analysis is really the only analysis that
18 includes those, but they're notational, in the sense that
19 it's very conservative.

20 So I would say that the depot realignment decision
21 was not made because of environmental costs. It was
22 fundamentally made because costs of closure are very large.

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1 But then, when you go one step further and consider the
2 effect on Air Force TOA because of even some reasonable
3 estimate, conservative estimate of environmental costs, then
4 I think you begin to see the wisdom of the decision.

5 CHAIRMAN DIXON: Thank you, Madam Secretary. I
6 appreciate your explanation, and we will take it as a matter
7 of record that you're suggesting that, in fact, that decision
8 was not predicated upon environmental considerations.

9 Commissioner Kling.

10 COMMISSIONER KLING: Mr. Chairman, did you want to
11 go on beyond the depot questions at this time?

12 CHAIRMAN DIXON: Commissioner, you can ask any
13 question you darn well please.

14 COMMISSIONER KLING: Thank you, Mr. Chairman.
15 Madam Secretary, then, let me just ask one last one from my
16 standpoint of the depot and at least get it down into a
17 little simpler terms that maybe I can understand.

18 According to the Defense Logistic Agency,
19 approximately 28,000 civilian employees are presently
20 employed at the Air Force's five logistic centers. That's an
21 average of 5,600 civilians per center.

22 The Air Force proposes to retain all five of its

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1 air logistic centers but says that it will achieve savings
2 that are comparable to closing two air logistic centers by
3 consolidating functions and downsizing in place.

4 But the Air Force's plan achieves a net reduction
5 of only 1,850 civilian personnel at all five centers compared
6 to a reduction of approximately 11,000 civilian personnel
7 that would result from closing two depots.

8 How can the Air Force claim that it's downsizing
9 plan is comparable to closing two air logistic centers when
10 closing two centers would have eliminated six times as many
11 civilian personnel positions?

12 SECRETARY WIDNALL: I'm going to refer that depot
13 numbers question to Mr. Orr.

14 MR. ORR: Sir, the key is that closing a depot does
15 not mean that every manpower space at that depot will go
16 away, that it's unneeded. The workload, if it's a CORE
17 workload to be done by the Air Force, which we would have
18 downsized to CORE, will need to be moved somewhere else.

19 If we're going to close an Air Force base that does
20 C-5s, that C-5 program depot needs to continue to be done,
21 and that requirement needs to move somewhere else. So simply
22 closing a depot does not give the level of savings which are

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1 suggested in that answer.

2 COMMISSIONER KLING: But do you think these figures
3 are, basically, right, that we'd only have a reduction of
4 about 1,800?

5 MR. ORR: It's approximately 1,800 in our
6 consolidation, yes, sir.

7 COMMISSIONER KLING: And yet one location would
8 have 11,000 personnel working there?

9 MR. ORR: I'm sorry, sir. I couldn't hear you.

10 COMMISSIONER KLING: But I say one location would
11 have -- I mean, two depots would have 11,000 people working
12 at them --

13 MR. ORR: Two depots could have approximately
14 11,000. We need to separate. The air logistic centers where
15 the depot maintenance activities are located are made up of a
16 number of functions beyond the depot maintenance that we're
17 discussing here.

18 The depot maintenance represents about half of the
19 manpower at those air logistic centers. The remaining is
20 represented by the inventory control program, acquisition of
21 weapon systems and support to the overall weapon system.

22 So as we move and as we close a depot and as we

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1 move what we need to move at that air logistic center, we
2 tend to save primarily the base operating support that
3 supports those at that location and some productivity
4 savings.

5 As we do that -- I don't have my numbers in front
6 of me, which we can provide to you, but as we close an air
7 logistics center, we do have a savings, but they're of much
8 less magnitude than that, in approximately 1,100, 1,200
9 category.

10 COMMISSIONER KLING: Thank you. To turn to a
11 different subject,
12 Mr. Chairman, Madam Secretary, based on the Department of
13 Defense data, the Air Force is currently operating more than
14 two times the capacity it needs to meet wartime requirements.

15 Now I'm dealing here with hospital issues. I'm
16 sorry that I didn't mention that to begin with. And
17 according to this information, if expanded bed capability is
18 considered, capacity is more than six times the requirement.
19 Do you agree, basically, with that data?

20 SECRETARY WIDNALL: We met with the medical group
21 during our process, and I'd like to ask Mr. Boatright to
22 respond to your specific question.

1 COMMISSIONER KLING: Thank you.

2 CHAIRMAN DIXON: Mr. Boatright is an old friend of
3 mine, but if he'd identify himself for the record, we'd
4 appreciate it.

5 MR. BOATRIGHT: Mr. James Boatright. I was the co-
6 chair on our Base Closure Executive Group. I retired from
7 the Air Force as a civil servant last Friday. I'm back on
8 board as a consultant today, and so I'm here to testify in
9 regard to my responsibilities prior to my retirement.

10 In regard to the numbers that you gave us there, we
11 have a very difficult time with that kind of excess capacity.
12 I just, basically, don't agree with that. I will be glad to
13 share the more detailed assessment of that with the
14 Commission and with the Commission staff, but just,
15 basically, we disagree with that assessment.

16 COMMISSIONER KLING: But do you not feel that we do
17 have an excess capacity?

18 MR. BOATRIGHT: Yes, sir. We do have some excess
19 capacity. One of the things I'd like to point out is that we
20 received some recommendations from the Joint Cross Service
21 Group in regard to realigning some of the Air Force medical
22 facilities, primarily to realign hospitals that we had to

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1 clinics.

2 We went back to the Joint Cross Service Group and
3 indicated that at that time we thought that their
4 recommendations were premature in regard to how much excess
5 capacity we should reduce within the Air Force because of the
6 long-standing policy that we have within the Department of
7 Defense.

8 When you close a base or have a major realignment
9 of a base, you, in fact, close down that medical facility.
10 So what we wanted to see first was the results of our BRAC
11 recommendations in regard to what were we going to close and
12 realign and then at that point address the excess capacity
13 that remained after those recommendations and closures.

14 We feel that there is no requirement for including
15 realignments of an Air Force hospital at a base to a clinic
16 to be submitted to the BRAC Commission, that these actions
17 can be accomplished below threshold, from a BRAC standpoint.

18 So once the Air Force has a clear understanding of
19 what bases are going to be closed in the final analysis, then
20 we can address the additional excess capacity that we may
21 have in bed space in the Air Force, and we can make the
22 necessary realignments to the hospital structure by

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1 realigning some of those hospitals to clinics.

2 COMMISSIONER KLING: Well, then let me ask you the
3 question that the Medical Joint Cross Service Group provided
4 the Air Force with alternatives for realigning eight Air
5 Force hospitals to out-patient clinics -- U.S. Air Force
6 Medical Centers Wilford Hall, Scott Air Force Base and
7 Wright-Patterson Air Force Base and the Air Force hospital
8 located at Shaw, Reese, Sheppard and Langley Air Force Base
9 and the Air Force Academy.

10 These alternatives would reduce operating beds by
11 over 1,000 and expanded beds by over 2,500, significantly
12 narrowing the gap between requirements and capacity.

13 The Department of Defense list includes none of
14 these actions. Why did the Air Force reject all of the Joint
15 Cross Service Group's alternatives? And I'd just ask you
16 that.

17 MR. BOATRIGT: Because we felt at the time that
18 they were submitted to us they were premature because we had
19 not finalized our recommendations on closures and
20 realignments.

21 We still believe that the appropriate time to
22 address realigning a hospital to a clinic is after we clearly

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1 understand what base closures and realignments that we are
2 going to have in the Air Force. Once that is done, we can do
3 that outside of the BRAC process, and we can make the
4 appropriate realignments.

5 We don't disagree with all of the recommendations
6 that they put forth, but we want to address those at the
7 proper time when we clearly understand what our hospital
8 structure is going to be.

9 COMMISSIONER KLING: But within the Air Force, I
10 guess you could say that there is deep consideration and
11 understanding that there are probably major expense items to
12 save in this field of merger, consolidating across the
13 services and within the Air Force as well?

14 MR. BOATRIGHT: Yes, sir. Some realignment to our
15 medical facility structure is needed, and it will be
16 addressed as soon as we know the final realignment and
17 closure action.

18 COMMISSIONER KLING: Thank you. Secretary Widnall
19 -- I'll just take one more?

20 CHAIRMAN DIXON: Of course.

21 COMMISSIONER KLING: Fine. To what extent were
22 your recommendations influenced by economic impact

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1 considerations, the decisions that were made by yourself?

2 SECRETARY WIDNALL: Economic impact is one of the
3 factors that enters into one of the eight criteria that is
4 defined in the BRAC process, and certainly that was data that
5 was provided to the BRAC working group, and it was taken into
6 account in the scoring and tiering of the bases.

7 COMMISSIONER KLING: And was any decision taken to
8 downsize rather than close an installation as a result of the
9 economic impact considerations?

10 SECRETARY WIDNALL: Not as a result of that
11 specific measure.

12 COMMISSIONER KLING: Not that alone?

13 SECRETARY WIDNALL: Not that alone.

14 COMMISSIONER KLING: The Navy, in their report,
15 stated because of the large number of job losses occurring in
16 California and Guam, the Department of Navy decided against
17 recommending several closures that could otherwise have been
18 made.

19 Other than the Long Beach Naval Shipyard, no other
20 closure is recommended that would result in a negative direct
21 civilian job loss impact in any economic area in California.
22 Did the Air Force establish similar economic thresholds for

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1 any state or for any particular region?

2 SECRETARY WIDNALL: No. We did not establish
3 thresholds, nor, as I said, did we come out with any decision
4 that was changed as a result of that particular parameter.

5 COMMISSIONER KLING: Thank you.

6 CHAIRMAN DIXON: Thank you very much, Commissioner
7 Kling. Commissioner Montoya.

8 COMMISSIONER MONTOYA: Good afternoon, Madam
9 Secretary, gentlemen. I have some environmental questions
10 that I wish to pursue, but before I do that, I have a depot
11 question also.

12 It's fair to disclose to you that while I was in
13 the Navy I worked environmental issues for about 11 years. I
14 also lived in Sacramento as a civilian for about two and a
15 half years and was there during the BRAC '93 McClellan issues
16 and am rather familiar with McClellan and its environmental
17 problems, which are there and have to be dealt with, the
18 groundwater contamination issues and so forth.

19 It's also fair to say that what I learned in the
20 private sector, I think what I'm hearing today is a bit of a
21 cash flow problem that the Air Force would see if they were
22 to go about closing these bases and not necessarily

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1 investment solutions.

2 So I am also going to be one of the skeptics for a
3 while as I learn more and more about your analyses and the
4 way you're downsizing as opposed to closing and keeping some
5 model inventory around or, for that matter, essentially,
6 keeping the land and/or facilities unavailable to the private
7 sector because of the approach you've taken.

8 I have one question specifically. Has the Air
9 Force done any sensitivity analysis in trying to look at the
10 future as to what kind of -- what further downsizing that
11 might happen in the Air Force? And certainly, the Navy has
12 gone from thinking they had over 400 ships two years ago, and
13 now they're talking 345 ships.

14 What further downsizing in the Air Force would
15 trigger a closing of one or two depots? Have you done any
16 work on that as to what might be foreseen?

17 SECRETARY WIDNALL: Let me make a comment about our
18 environmental program. First of all, we certainly agree that
19 environmental issues should not drive the BRAC process and
20 that the Air Force is completely committed to environmental
21 cleanup at both active and closing bases.

22 In fact, we have an extremely active program in

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1 environmental cleanup in all of our bases, and if you have a
2 personal interest in that, I really welcome the opportunity
3 to share that with you. With respect to the force structure,
4 General Fogleman wanted to respond to that question.

5 GENERAL FOGLEMAN: You made reference to the Navy's
6 force structure reduction to 346 ships, I believe.

7 COMMISSIONER MONTOYA: That's correct.

8 GENERAL FOGLEMAN: Which was the bottom-up review
9 force structure, which was issued to them. I believe that
10 they're in the process of reaching that number. I don't
11 think they're there yet.

12 In the case of the Air Force, we were issued a
13 force structure of 20 tact fighter wing equivalents. We will
14 be by the end of this year at 20 tact fighter wing
15 equivalents.

16 So this BRAC was made from the perspective of a
17 known force structure. We weren't fighting the issue. We're
18 not trying to stay larger. We don't want more force
19 structure. We were issued 20 tact fighter wings.

20 There is a certain amount of risk in being able to
21 perform two major regional contingencies with that, but that
22 risk has been accepted, and it's been talked about. So we

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1 think that with 20 tact fighter wings and the downsizing that
2 we're doing within the depots that we're right-sizing.

3 Part of that non-BRAC associated savings from the
4 depot that you saw there was a line called F-111 Force
5 Structure. So that's a tact fighter wing that's coming out
6 that's going to result -- that is capacity that, in the past,
7 we would have tried somehow to preserve.

8 We would have tried to bring more work back in from
9 the civilian sector or something of that nature. In this
10 case, we're letting that capacity go, and I think we can show
11 you slides that will show that, in the aggregate, by this
12 downsizing, we're matching that to our force structure as we
13 go out there.

14 As I said in my opening statements, unless there is
15 a major reduction beyond the 20 tact fighter wing, we think
16 that we've right-sized this. If there is, then it would be
17 my recommendation that we go to Sec Def and Sec Def then come
18 back and ask for further BRAC examination is really where
19 we're coming from.

20 COMMISSIONER MONTOYA: So your testimony is you're
21 in balance now, as you see it. I guess my question would
22 still be, and we can get into this later, is would it be one

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1 more tactical wing, and that would create the impact, or
2 would it be two or three?

3 What is that next level? What is the relationship
4 between the two? And we can pursue that at some other time,
5 but I wanted to share with you my own skepticism as we go
6 through the process.

7 GENERAL FOGLEMAN: For instance, we've looked at
8 things like allowing -- each of our air logistic centers
9 currently has both an aviation depot and our logistics
10 functions there.

11 So as we would continue to come down, we would
12 probably go to one of those depots, as we call them today,
13 and allow the aviation depot portion of that to atrophy and
14 just not put any more workload into there in the aviation
15 business. Those are the kinds of things that we're, kind of,
16 looking at that we can talk about.

17 MR. ORR: Sir, I think a key also, if you look at
18 the size of the depots, our current depots --

19 CHAIRMAN DIXON: Could I please interrupt? I hope
20 you'll not think I'm being too technical. Would you identify
21 yourself? See, the trouble, from the standpoint of the court
22 reporter, later we have to look at the record. Do you

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1 understand?

2 MR. ORR: Yes.

3 CHAIRMAN DIXON: So don't think I'm being a
4 nitpicker.

5 MR. ORR: Ron Orr, Associate Director of
6 Maintenance. Also, if you look at it in terms of sizing,
7 even after the downsizing, our average depot in terms of --
8 inorganically, we'll be doing about 50 percent of our total
9 workload, which is similar to the other services.

10 We'll have five depots that will average a little
11 over 5 million hours, man hours, per year in those depots.
12 That is significantly larger than the average size of any of
13 the other depots.

14 So we believe we still have -- we are right-sized,
15 and we are still significantly above any line where the
16 marginal cost of downsizing is appropriate.

17 COMMISSIONER MONTOYA: Okay. Let me ask one
18 environmental question, because I know my time is about up,
19 and that is the Fast Track cleanup program that the
20 Department of Defense instituted, have you found that to be
21 effective both in terms of speeding up cleanup and cost-wise,
22 or is the speeding up, if it is happening, costing you more?

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1 SECRETARY WIDNALL: Let me ask Mr. Boatright to
2 respond to the technical issues raised by that question.

3 COMMISSIONER MONTOYA: Thank you.

4 MR. BOATRIGHT: Jim Boatright again. The
5 environmental costs -- I've lost the question.

6 SECRETARY WIDNALL: Fast Track.

7 COMMISSIONER MONTOYA: The Fast Track program.
8 What has that meant to you both in speed and cost, and has
9 speed driven your costs up?

10 MR. BOATRIGHT: Speed really hasn't driven the
11 costs of environmental restoration. What we have is we have
12 an environmental restoration program for each one of our
13 installations, and it's programmed over a number of years
14 currently funded under the DERA account.

15 When you move this into BRAC, what you do is you
16 squeeze the time, so the costs over a much shorter period of
17 time, same costs, essentially. So the Fast Tracking is not
18 really adding a lot of cost. There may be some minor costs
19 that are added as a result of Fast Track, but they're not
20 major costs.

21 Another thing that we're finding because of BRAC
22 and because of the accelerated cleanup that we're doing is

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1 that a lot of new technology is coming out. So the costs
2 that we had anticipated in the DERA account for these over
3 the long range, many of those costs are being driven down.

4 So we believe that the restoration costs of our
5 BRAC bases are really not going to be higher but, in all
6 likelihood, probably lower than what we had initially
7 anticipated, but we will have to budget for them over a much
8 shorter period of time.

9 COMMISSIONER MONTOYA: Yes. And therefore you face
10 them much quicker, too. I guess they're right in your face
11 through the BRAC process.

12 MR. BOATRIGHT: Yes, sir.

13 COMMISSIONER MONTOYA: Thank you, Mr. Chairman.

14 CHAIRMAN DIXON: Thank you, Commissioner Montoya.
15 Commissioner Robles.

16 COMMISSIONER ROBLES: Madam Secretary, gentlemen,
17 I'm also going to delve into the world of the depot
18 downsizing because it is, as you can well imagine, emerged as
19 one of the issues that we all need to understand better and I
20 certainly need to understand a little bit better.

21 And I'm going to delve a little bit into the
22 mathematics of I because, from a previous life, I understand

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1 how all that relates to the operational needs.

2 I think I heard Mr. Beach say that because of a
3 shortfall in the DERA account and a shortfall in the DOD
4 inflation accounts or in your own department's inflation
5 account that any flexibility you may have at the front, some
6 up-front costs, heavy up-front costs, is gone, not that those
7 shortfalls would cause you to have to somehow subsidize this
8 process. Is that correct?

9 SECRETARY WIDNALL: We'd better get Mr. Beach back
10 here.

11 MR. BEACH: I don't think --

12 CHAIRMAN DIXON: This is Mr. Beach speaking.

13 MR. BEACH: My name is John Beach. I don't think
14 that's quite what I had in mind. The question that I was
15 asked was are there any other sources of funds for which we
16 could get money to help with the environmental costs of a
17 closure.

18 In recognizing, first of all, the translation that
19 I had in the charts, when you stick with the COBRA approach,
20 which does not address environmental, we're still seeing that
21 depots are relatively expensive from an investment standpoint
22 before you even get into the environmental world.

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1 The question that I interpreted I was being asked
2 was can you find some funds to help you budget-wise
3 elsewhere, and it is possible, to some degree, that you might
4 get some money from DERA, but I can't give you a good sense
5 of it.

6 It was not my intention to say that because we
7 can't get funds from another area that we just simply
8 wouldn't be able to cover those costs without transferring it
9 from some other part of the Air Force.

10 As a general rule, what our experience to date has
11 been is that DERA funds are not generally available in any
12 significant amount to be transferred from a DERA account into
13 a closure account, if that's what you're after.

14 COMMISSIONER ROBLES: I think we're saying the same
15 thing. I just want to make sure I understand it, because,
16 obviously, although it wasn't a determining factor in the
17 economic analysis, it's sort of, as an over-arching principle
18 that said, basically, this is going to cost us more than is
19 out there.

20 We can't look to DERA for help. We have a
21 shortfall already in inflation, and it's going to us O&M
22 money to subsidize any additional up-front closure costs. Is

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1 that a fair, sort of, shorthand of what you're saying?

2 MR. BEACH: That's a fair assessment.

3 COMMISSIONER ROBLES: Okay. Now, given that as a
4 backdrop, and I understand that very well, I was intrigued by
5 the analysis that I saw that talked about those \$1.1 billion
6 worth of up-front costs for the two closure alternative,
7 closing the two depots.

8 And some of the numbers, if you could, maybe,
9 explain some of the numbers. About \$249 million in
10 construction costs, and I ask
11 -- I think that assumes that you're going to do a lot of
12 construction at the places where you have to move that
13 workload to.

14 And I would say is there not sufficient excess
15 capacity already out there where you wouldn't have to do a
16 lot of new construction, or are you trying to replicate, or
17 was that the depot you closed at another depot? Isn't there
18 some economies of scale there? Isn't there some duplication
19 already, not necessarily do it all over?

20 Because I will just tell you and not in any kind of
21 pejorative manner the first couple of BRAC rounds we did try
22 to replicate things we closed down at other places often at a

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1 not much more -- at a higher level and at a more -- a quality
2 of life that was more than what you left before. So I assume
3 that's not part of that \$249 million.

4 MR. BEACH: When we close or look at the
5 possibility of closing a depot, we do, as you mentioned, in
6 the COBRA analysis, we go into a great deal of detail in
7 terms of the categories of cost.

8 One of those categories is military construction.
9 I don't have all the figures here with me today, but we can
10 certainly provide for the record the detail.

11 The COBRA analysis, when you look at any
12 installation -- in this case, we're talking about depots --
13 we can identify for you for each depot what the cost for
14 military construction would be in moving or closing that
15 depot.

16 As Mr. Orr mentioned earlier, if we were to close
17 one depot right now, much of the workload that was at that
18 depot would have to be transferred someplace, and depending
19 on where it was transferred to and depending on the
20 availability of resources at the receiving depot would drive,
21 to a large degree, the construction costs, as we've seen in
22 the past. There are, of course, costs other than

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1 construction with moving of a depot.

2 COMMISSIONER ROBLES: Well, that would be helpful
3 if you could provide those lists of construction projects
4 that went into your analysis and why would you have to
5 rebuild them, why you couldn't use existing facilities.

6 The second part, also in that 1.1 billion was
7 assumed about \$330 million for personnel moving costs. Just
8 a little back of the envelope analysis says that that's
9 enough cost to move about 19,000 civilians if you use the
10 normal cost factors.

11 And since you only have about 27 or 28 in the whole
12 system, do you really believe you'd need to have to move two-
13 thirds of your civilian personnel to accommodate the two
14 closures of two depots?

15 MR. BEACH: That's a fair question. I've noticed
16 the same thing when we were going through our COBRA analysis
17 that the personnel costs, moving costs within that range.

18 We've done some looking at that. You have a good
19 eye. That's the first figure that I went to, too, in that
20 particular analysis. We're looking at that more closely. We
21 think it's in the ballpark. I would say my opinion is that
22 once we do -- if we were to do a detailed analysis, that

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1 number may come down a bit, but I don't think it's
2 significantly overstated. But that has caught our attention,
3 and we're looking at it very carefully.

4 COMMISSIONER ROBLES: It seemed like a large
5 number. The other one is, the third component was the \$257
6 million of unique one-time costs, and I'd also be interested,
7 and you don't have to do it here, kind of tell us what those
8 unique one-time costs are.

9 I guess, given what it costs to close other depots
10 in other services, and I know they're not comparable between
11 the services, this is four or five times order of magnitude
12 that it costs the other services to close a depot. So it
13 just seems to us that we need to know more about the
14 mathematics that went into that.

15 Switching to another subject, one of the other
16 issues that came across on the depot issue was, as we
17 understand it, one of the rationale for the downsizing of the
18 depots versus closing one was that DLA needed about 25
19 million cubic feet of space for storage purposes for future
20 contingencies, and you had to factor that into your analysis.

21 And I find it kind of intriguing. I think DLA is
22 also downsizing, and so why they would need 25 million cubic

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1 feet of storage capacity for contingency purposes, if that's
2 the case; and secondly, could not some of that storage
3 capacity be done in the private sector? Because we do have
4 lots of warehouse space in the private sector.

5 Warehousing capacity doesn't have to be very
6 unique, Air Force unique or Army unique or Navy unique. So
7 any comments on that?

8 SECRETARY WIDNALL: Sure. Your assertion is not
9 correct. The needs of DLA did not factor into our decision
10 to realign the depots. It really was only after we had made
11 our realignment plan that we had this excess capacity, then,
12 that would have been freed up, and at that point we heard
13 that DLA was looking for some excess capacity.

14 So we said, well, if we have excess capacity, let's
15 make it available to them for their possible use. So it's a
16 difference in sequence.

17 COMMISSIONER ROBLES: Okay. Thank you, Madam
18 Secretary. That ends my time.

19 CHAIRMAN DIXON: Thank you, Commissioner Robles.
20 Commissioner Steele.

21 COMMISSIONER STEELE: Thank you, Mr. Chairman.
22 Madam Secretary, I thought I'd switch gears, because there,

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1 obviously, are other issues that are of importance to other
2 communities, not that we've exhausted this subject by any
3 means.

4 Switching to the lab subject, the Air Force has
5 recommended that Rome Laboratory close even though it is
6 categorized in Tier 1, which is the highest grouping, as
7 indicated by this chart, which is Appendix 9, page 61, I
8 gather, Industrial/Technical Support, Tiering of Bases.

9 Why was Rome Laboratory recommended for closure
10 when it is Tier 1 and there are others in both Tiers 2 and 3?

11 SECRETARY WIDNALL: Okay. Let me go through that.
12 The first analysis that we did of Rome Labs was an Air Force-
13 only analysis, and I guess the cost for doing that would have
14 been the entire, sort of, relocation and refacilitizing of
15 Rome Labs at a different location.

16 The actual proposal to close Rome Labs came out of
17 the Joint Cross Service Group, and in that we obtained
18 significant cost reductions because of our plan that was
19 developed under this Joint Cross Service Group to co-locate
20 and use excess Army facilities at Fort Monmouth. This
21 significantly reduced the cost.

22 Now, of course, to construct our audit trail of

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1 what process the Air Force went through in reaching its
2 recommendations, we did not go back and correct this Air
3 Force-only analysis.

4 But if you carry through the audit trail, we will
5 see that as we move towards implementing this Joint Cross
6 Service recommendation we came out with a different set of
7 numbers because of the savings, less military construction.

8 So in the final analysis, we obtained a very
9 attractive return on investment, which was one of the major
10 determinants that put Rome Labs in the top tier.

11 COMMISSIONER STEELE: Okay. Thank you. Continuing
12 on that subject, because Senator D'Amato and others have
13 submitted some questions, and we had some staff questions and
14 well and commissioner questions that overlapped in the
15 subject.

16 In 1993, the Commission requested that the Air
17 Force comment on the community concern that in realigning
18 Griffiss Air Force Base at the time the Air Force appeared to
19 be positioning itself to close Rome in the future.

20 I'm told that Mr. Boatright, who may want to come
21 toward the microphone here, responded to the Commission in
22 '93 saying, "The Air Force has no plans to close or relocate

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1 Rome Laboratory within the next five years."

2 Since then, the Rome community has made plans to
3 reuse Griffiss Air Force Base centered on the fact that the
4 Rome Laboratory was to stay in place. Now, obviously, there
5 is a recommendation for closure.

6 Could you please comment on why the Air Force has
7 changed its mind on the status of Rome outside of the comment
8 of the Joint Service Group?

9 SECRETARY WIDNALL: Well, of course, Mr. Boatright
10 can speak to himself, for himself, but let me just make a
11 couple of remarks. First of all, the BRAC process requires
12 us to consider every single base.

13 And so, of necessity, we did consider Rome in the
14 '95 BRAC as well as in the '93 BRAC. And as I mentioned in
15 my response to the question about what tiering Rome ended up
16 in, this opportunity came out of the Cross Service analysis.
17 In 1993, we did not do a Cross Service analysis. So the
18 situation is really very, very different.

19 In 1993, we were looking at an Air Force-only
20 solution. In 1995, we're looking at a cross-service
21 opportunity. So it's really very different, and I'll let
22 Mr. Boatright continue to respond to your question.

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1 COMMISSIONER STEELE: Thank you.

2 MR. BOATRIGHT: Jim Boatright speaking. My
3 comments to the '93 Commission were true at that time. We
4 had no plans then to close down Rome.

5 The question that was posed was in the context of
6 is this a plan of the department to go one step and then come
7 along later and sweep the rest of it away, and definitely
8 that was not our plans at the time we made our
9 recommendations in '93.

10 We believed at that time that a stand-alone
11 laboratory was a good, solid proposal. I still believe that
12 that's a good solid proposal, and the Air Force was content
13 with that situation.

14 But as the Joint Cross Service Group began to look
15 at this and when they completed their analysis, they came to
16 the Air Force with a proposal to close down the Rome
17 Laboratory and realign.

18 And as we began to look at that in more detail, it
19 became attractive from a cost and a savings standpoint, and
20 so we included it, the Secretary included it as one of the
21 Air Force recommendations.

22 COMMISSIONER STEELE: Thank you, Mr. Boatright. I

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1 realize that the BRAC statute states that in considering
2 military installations for closure or realignment the
3 Secretary may not come into account for any purpose, dot,
4 dot, dot, reuse plans, in essence. Was the reuse plan
5 considered or discussed at all regarding the Rome community?

6 SECRETARY WIDNALL: No.

7 COMMISSIONER STEELE: Okay. On that subject with a
8 different base, in 1991, the BRAC Commission recommended that
9 the Armstrong Laboratory Air Crew Training research facility
10 at Williams, Arizona, be relocated to Orlando, Florida.

11 In the current round of BRAC base closures and
12 realignments, you've recommended that the laboratory remain
13 at its present location in Arizona as a stand-alone facility.

14 The Air Force's justification states in part that,
15 "The activities are consistent with the community's plans for
16 redevelopment of the Williams Air Force Base property,
17 including a university and research part."

18 The same question regarding this facility. Was the
19 reuse planning used as a consideration factor at all
20 regarding this recommendation?

21 SECRETARY WIDNALL: General Blume, would you like
22 to respond to that question?

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1 GENERAL BLUME: I will. This is Major General Jay
2 Blume. The analysis that we went through in looking at that
3 particular redirect had several implications. One was it was
4 redirected to Orlando.

5 The facility at Orlando had lost the pilot
6 capability for aviators, which is needed by that facility.
7 We also did a cost analysis on that particular arrangement,
8 and it was not cost-effective.

9 Was that considered? It was not mentioned in the
10 analysis, but it said that we did -- or it was mentioned in
11 the group when was brought up that it was not against the
12 desires of the community.

13 We mentioned in the write-up just to show that it
14 was not something adverse to what the community had in mind
15 for that particular property.

16 COMMISSIONER STEELE: Thank you. Different subject
17 again. Madam Secretary, we recently received a copy of a
18 memorandum dated February 15, '95, from the Deputy Assistant
19 Secretary of the Army for Installations and Housing to the
20 Principal Deputy Assistant Secretary of the Air Force for
21 Installations expressing interest in the U.S. Army Reserve
22 Command requiring approximately 57 acres and 13 permitted

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1 buildings at Brooks Air Force Base should it become available
2 from the Air Force.

3 Was this request discussed and resolved during
4 deliberations by either the BRAC '95 Steering Group or the
5 BRAC '95 Review Group? I have details on that. I thought
6 I'd skip the middle.

7 GENERAL BLUME: This is General Blume again. No, I
8 do not recall that being introduced into our process at any
9 time. Jim, do you?

10 MR. BOATRIGHT: Jim Boatright. I'm not aware of
11 the particular letter or memorandum you're referring to.

12 COMMISSIONER STEELE: Okay. If we would make this
13 material available to you, I would appreciate your comments
14 as soon as you're able to. It would be helpful to us.

15 CHAIRMAN DIXON: I think the Commissioner and staff
16 will send to the Secretary of the Air Force all the material
17 referenced by Commissioner Steele, and we would greatly
18 appreciate it, Madam Secretary, if you could respond
19 forthwith.

20 COMMISSIONER STEELE: I'll pass back the remainder
21 of my time. I've got to be close here.

22 CHAIRMAN DIXON: I thank the Commissioner.

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1 Commissioner Cornella.

2 COMMISSIONER CORNELLA: Thank you, Mr. Chairman.
3 Secretary Widnall, gentlemen, good afternoon. I guess I have
4 to start with one question on the depots.

5 SECRETARY WIDNALL: Why not?

6 COMMISSIONER CORNELLA: If I remember correctly,
7 the Air Force submitted a depot for closure in the last
8 round, at least to Secretary Aspin. Did the Air Force also
9 look at in '93 the downsizing rather than the closure of the
10 depot?

11 SECRETARY WIDNALL: I'll have to ask Mr. Boatright
12 to address that question, since I was not here.

13 MR. BOATRRIGHT: Jim Boatright again. No, sir.
14 When we did our analysis in 1993, we identified McClellan as
15 a closure candidate, and we did -- the Secretary of the Air
16 Force at the time did recommend that to the Secretary of
17 Defense, and it was eliminated from our list of
18 recommendations based on cumulative economic impact.

19 But we did not look at a downsizing alternative. I
20 would tell you that the turndown of this recommendation by
21 the Secretary of Defense was very late in the process. It
22 would have been virtually impossible, from a time standpoint,

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1 to have looked at an alternative after that proposal had been
2 withdrawn from consideration.

3 COMMISSIONER CORNELLA: Thank you. Dr. Widnall,
4 I'll direct my questions to you, and then you can redirect as
5 you desire. On Kirtland Air Force Base, regarding
6 realignment recommendation for Kirtland Air Force Base, were
7 all of the base tenants contacted in a timely manner and
8 asked to provide information about how the realignments and
9 subsequent economic impact would affect them?

10 SECRETARY WIDNALL: We have contacted the major
11 non-DOD, non-Air Force tenants and inquired as to their needs
12 and certainly indicated our commitment to work with them.

13 With respect to the various Air Force tenants that
14 are on the base, we worked through the MAJCOMS in an attempt
15 to recommend a sensible move for these various tenants.

16 COMMISSIONER CORNELLA: The Deputy Secretary of
17 Defense has testified that the Air Force coordinate this
18 action with the Department of Energy. What concerns does the
19 Department of Energy have with the realignment of Kirtland,
20 and how does the Air Force respond to their concerns?

21 SECRETARY WIDNALL: I have, actually, not received
22 any formal letter from the Department of Energy laying out a

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1 set of concerns, but we have certainly informed them that
2 we're pledged to work with them to ensure that their needs
3 are met.

4 GENERAL MOORMAN: Madam Secretary, maybe I can
5 elaborate on that a bit. General Tom Moorman, Vice Chief.
6 We identified what we were going to do to members of the
7 Department of Energy prior to the announcement going down to
8 Dr. Perry, and we also talked to people at the base.

9 That was right at the very last minute, and the
10 reason for that, of course, is the confidentiality that is
11 associated with the BRAC process. As soon as the
12 announcement was made, we sent a Tiger team down to Kirtland
13 to talk to the people there at Sandia as well as at base
14 people to identify their concerns.

15 Primarily, the concerns that we're getting in this
16 initial contact, and this is at the very first, are
17 associated with how will we get the requisite support
18 functions that we've become used to, and primarily that's in
19 the area of security. It's in the area of fire protection.
20 It's in the area of civil engineering, and those kinds of
21 things.

22 Our intent in our proposal is to civilianize the

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1 security and fire protection activities and contract most of
2 the civil engineering. The details of that and how that
3 takes place will be fleshed out as we deal with the Kirtland
4 group.

5 So we intend to do that. We've had a team this
6 last week. We'll send a team down next week to make sure
7 that the dialogue is active and we understand their concerns.

8 COMMISSIONER CORNELLA: Thank you. Dr. Widnall,
9 the Air Force has recommended realigning Kirtland Air Force
10 Base. As part of this recommendation, the 58th Special
11 Operations Wing will relocate to Holloman Air Force Base.
12 How is this move coordinated with United States Special
13 Operations Command?

14 GENERAL MOORMAN: Perhaps I'd better take that.
15 Tom Moorman again. The 58th, we did talk to the special ops
16 folks there. Primarily, their concerns were to make sure
17 that the new receiver of this activity had the right kind of
18 topography and the right kind of weather and the right kind
19 of seclusion.

20 What I'm talking about there, that is a training,
21 special ops training unit, and they wanted to make sure that
22 they had an activity that had water and mountains and desert

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1 and those kinds of things in which to train.

2 As you may recall, we're planning on putting the
3 58th at Holloman, and that was a very desirable one, from the
4 special ops location, from the special ops point of view.

5 COMMISSIONER CORNELLA: Secretary Widnall, in
6 recommending Kirtland Air Force Base for realignment, the Air
7 Force is proposing to move some of the Defense Nuclear Agency
8 activities to Kelley Air Force Base and to Nellis Air Force
9 Base. How was this action coordinated with the Defense
10 Nuclear Agency?

11 GENERAL MOORMAN: Tom Moorman again. We talked in
12 the week before the announcement with the Director of Defense
13 Nuclear Agency to explain what our intentions were and to get
14 his initial reaction, but that dialogue -- I do not mean to
15 state there that that's the end of the dialogue.

16 That's just the beginning, and we wanted to get a
17 preliminary assessment of these moves. Again, it was a
18 favorable response. Both of those moves were desirable
19 locations from the Defense Nuclear Agency's point of view.

20 COMMISSIONER CORNELLA: Thank you. Moving to
21 economic impact issues, Secretary Widnall, to what extent
22 were your recommendations influenced by economic impact

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1 considerations?

2 SECRETARY WIDNALL: Well, as I mentioned, economic
3 impact is one of the parameters that enters into one of the
4 eight criteria which is used in the BRAC process. And so it
5 factors into the measure that comes out in Criterion 7 or
6 Criterion 8. I don't remember which one. In any case, it's
7 considered by the BCEG in their overall tiering of the bases.

8 COMMISSIONER CORNELLA: The Navy, in their report,
9 stated because of the large number of job losses occurring in
10 California and Guam the Department of Navy decided against
11 recommending several closures that could otherwise have been
12 made.

13 Other than the Long Beach Naval Shipyard, no other
14 closure is recommended that could result in a negative direct
15 civilian job loss impact in any economic area in California.
16 Did the Air Force establish similar economic thresholds for
17 any state or region?

18 SECRETARY WIDNALL: No, we did not.

19 COMMISSIONER CORNELLA: This morning, Secretary
20 Dalton indicated that up-front closing costs were not part of
21 the Navy's consideration because they did not create a
22 problem for them. Is that the same for the Air Force?

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1 SECRETARY WIDNALL: Well, I'm not quite sure what's
2 meant by "up-front closing costs." Certainly, when we made
3 our judgments, we looked at return on investment. So yes,
4 the amount of money that it takes to close a base balanced
5 with the future savings is, in fact, an important parameter
6 in our analysis. We look at return on investment, number of
7 years to payback.

8 COMMISSIONER CORNELLA: Thank you, Madam Secretary.
9 Mr. Chairman, my time has expired.

10 CHAIRMAN DIXON: Thank you, Commissioner Cornella.
11 Commissioner Cox.

12 COMMISSIONER COX: Thank you. Madam Secretary, I
13 have a depot question, but I'll leave it to last. Large
14 aircraft and missile bases in the meantime. You've
15 recommended, the Defense Department has recommended that
16 inactivation of the missile group at Grand Forks, "Unless the
17 need to retain ballistic missile defense options effectively
18 precludes this action," in which case I guess you're
19 recommending that the missile group at Minot be inactivated
20 instead.

21 Just a technical question, maybe a legal question.
22 Should we consider Minot to be on the Defense Department's

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1 recommendation list? Is this on the list already, or is this
2 a contingent addition to the list? I'm not sure how we
3 should consider Minot.

4 SECRETARY WIDNALL: That's a fairly technical
5 question. Let me refer that to Mr. Boatright.

6 MR. BOATRIGHT: Jim Boatright. I would suggest
7 that it be considered as a substitute should there be
8 determined an overriding reason by the Secretary of Defense
9 that Grand Forks Missile Field cannot be closed because of
10 treaty implications.

11 COMMISSIONER COX: So would you expect us to add it
12 at our deliberations, or do you believe it's already on the
13 list? I guess I'm just confused as to whether we will put it
14 on or whether -- if we take your recommendation or whether
15 you've already put it on the list.

16 MR. BOATRIGHT: I believe it's my understanding
17 that it is to be considered if Grand Forks cannot be -- the
18 missile field at Grand Forks cannot be closed.

19 COMMISSIONER COX: I see.

20 MR. BOATRIGHT: So I would believe that it is on
21 the list.

22 COMMISSIONER COX: It is now today.

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1 MR. BOATRIGHT: But with that very specific
2 consideration.

3 COMMISSIONER COX: I see. Okay. Well, then,
4 speaking of that, this is an issue that came up in 1993 to
5 some extent, and at that time we were told, I believe, that
6 it could take as long as 1996 before we were sure whether the
7 IBM treaty would be affected by this but the Air Force would
8 look at along with others who would have to look at it of
9 course. That was now two years ago.

10 The Deputy Secretary recently testified that he
11 thought we could have an answer in two to three weeks. I
12 wonder if you agree with that and whether we think we will
13 have an answer in that short of a time period.

14 SECRETARY WIDNALL: I always agree with the Deputy
15 Secretary.

16 (Laughter)

17 COMMISSIONER COX: Are there certain steps that are
18 being taken that would make that more likely than not to get
19 to that point?

20 SECRETARY WIDNALL: Well, without commenting on his
21 comment, I guess I feel confident that if he believes we can
22 do that that we can do that.

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1 COMMISSIONER COX: I see. And if we are unable to
2 get a decision from you all, then you would expect us at that
3 point to move forward with Minot? You're not looking for a
4 contingent recommendation to the extent that we would leave
5 that open until 1996? You would expect us to make a
6 decision?

7 SECRETARY WIDNALL: I guess I believe that --
8 obviously, this is an extremely important issue, and if the
9 Deputy Secretary comes back with a preferred wording, I would
10 hope the Commission would take that into consideration in
11 making its final recommendations.

12 CHAIRMAN DIXON: I think the Commissioner asks a
13 very important question here. May we have a moment of
14 intermission, Commissioner, just one second, to develop that
15 appropriately?

16 (A discussion was held off the record.)

17 CHAIRMAN DIXON: Give us one more moment here,
18 please.

19 (A discussion was held off the record.)

20 CHAIRMAN DIXON: I'd have to ask you to wait just a
21 moment while we get the staff to agree here.

22 (A discussion was held off the record.)

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1 CHAIRMAN DIXON: Now, let me clarify this so
2 everybody understands, and I'm not trying to upset anybody
3 when I say it. The problem we had with this, Madam
4 Secretary, and the Commissioner, Commissioner Cox's line of
5 questions is an excellent line of questions.

6 We have until May 17th under the drop dead
7 arrangements here to add things to the list. See, what she
8 is pursuing quite properly is this: If we don't hear a word
9 on the determination on Grand Forks from the perception of
10 the treaty problem before May 17th and we don't do anything
11 on Minot by then, we could be in the position where we can't
12 act. Do you follow that?

13 So I think it will be the position of this
14 Commission that the folks at Minot should understand that
15 Minot is at risk, and the high probabilities are -- we say
16 this without any reflections on what will occur -- they will
17 be added on because there is a technical problem about
18 whether it's on, so that those folks understand.

19 Now, the reason we say that is one of the things we
20 found in the past, Madam Secretary, and I say this to General
21 Fogleman and all my friend at the table, is that some of the
22 people that are at risk say, "We weren't told quickly enough

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1 to prepare." Do you follow that?

2 So I think that that will be our understanding.
3 Now, we will make a formal announcement in apt time, but the
4 Commissioner has served us and the country I think very well
5 by bringing that to our attention, because I think it is
6 essential that we do act before May 17th.

7 Amazingly, I think I have that right. All right.
8 We thank the Commissioner, and please do not deduct from her
9 questioning time the statement of the Chair.

10 SECRETARY WIDNALL: I guess our conclusion is that
11 we have given you a recommending which we believe could
12 implement whatever eventuality comes to pass. But as you
13 say, it does put Minot at risk, and it's important that we
14 all understand that.

15 COMMISSIONER COX: I'll get back to missile bases,
16 but to ask a different question, you've got Grand Forks and
17 Minot as issues, but I wonder why instead of that you didn't
18 suggest inactivating the missile wing at Malmstrom which
19 would have allowed, along with other recommendations, to
20 close a base altogether. Was that not considered? Was that
21 considered?

22 SECRETARY WIDNALL: Well, let me ask Mr. Boatright

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1 to speak to that. It's an issue of geology and quality.

2 MR. BOATRIGHT: Jim Boatright. When we did our
3 analysis of large aircraft bases, we also did a subanalysis
4 of missile fields, and in the missile field analysis, we
5 looked at Malmstrom, Grand Forks and Minot.

6 There is a very substantial difference in the
7 quality of the missile field at Malmstrom in comparison with
8 either Grand Forks or Minot. So when you look at the missile
9 fields at Minot and Grand Forks, they're very close to one
10 another in comparison, but you go up a very substantial step
11 when you go up to Malmstrom in regard to its missile field
12 capability.

13 Therefore, consistent with the comparative analysis
14 that we do in the Air Force, it would have been inconsistent
15 with our analysis to have selected Malmstrom for closure, and
16 clearly the right candidate for closure of the missile field,
17 based on the analysis, is Grand Forks, and the second
18 candidate is Minot.

19 And Malmstrom would be the third candidate, but you
20 would have to get through the other two first, and you'd have
21 to have overriding reasons why you could not close down those
22 missile fields before you went to Malmstrom.

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1 COMMISSIONER COX: Well, I wonder if you might
2 provide that data you just referred to for the record.

3 GENERAL MOORMAN: Can I add just a little bit? Tom
4 Moorman again. Mr. Boatright referred to the criteria, and
5 we will be glad to provide that for the record. But it was
6 an issue of geology, which is the survivability, how secure
7 the missile silos are -- an issue of geography in that it is
8 far north -- and also an issue of dispersal.

9 It is a very large, dispersed base which also
10 introduces some survivability elements. So as Mr. Boatright
11 points out, it was significantly higher than the other two,
12 Minot and Grand Forks.

13 COMMISSIONER COX: Thank you. I asked some
14 questions this morning, and just to follow-up on them, there
15 are a lot of changes since 1993, which is neither good nor
16 bad, but I want to make sure I understand them.

17 Some of the big changes between 1993 and 1995 are
18 the costs to close some of the these Air Force bases. In
19 1993, the cost to close Malmstrom was 543. I notice that
20 it's now \$39 million.

21 Minot dropped from 195 to 59 million, and Grand
22 Forks, the Grand Forks Air Force Base, increased from 118

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1 million to 129 million. I wonder if you might just give us a
2 rule of thumb on why that changed so dramatically.

3 MR. BOATRIGHT: The big cost difference is, of
4 course, the one at Malmstrom, and this takes a little bit of
5 explanation, so if you'll bear with me.

6 The ground rule that we were playing by in '93 in
7 regard to number of missiles, Minute Man missiles, that we
8 would need to meet the requirements was 500. And since Grand
9 Forks and Minot, each of those bases have 150 missile silos;
10 whereas, Malmstrom has 200.

11 So when you take Malmstrom on a level playing field
12 and try to get a comparative cost analysis, we had to
13 reestablish a missile field for 50 missiles when you close
14 Malmstrom.

15 So in the notional closure of Malmstrom, when you
16 cost that out, we had to go back at a former missile base and
17 reestablish, a very, very expensive proposition. So that's
18 why that price went off of the chart.

19 Now, this time around, in '95, our target was 450
20 to 500. So when we looked at Malmstrom, it would not be a
21 requirement now, if you closed Malmstrom, to reestablish 50
22 missile sites at another location.

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1 One step beyond, in '95, this round of closures, we
2 decided in a level playing field analysis, cost analysis, not
3 to include the cost of realigning missiles because that cost
4 had already been programmed.

5 So the cost that you see here for Minot, Malmstrom
6 and Grand Forks, on the level playing field analysis, is the
7 cost to close those installations and move the force
8 structure other than the missile force structure.

9 COMMISSIONER COX: In this case as well as all
10 others, as I understand it, in this round, actions taken
11 because of force structure reductions don't count as a cost
12 or a savings, for that matter, here. I mean, because of the
13 change, we don't need to engage in expensive reactivation, I
14 guess.

15 MR. BOATRIGHT: That is correct.

16 COMMISSIONER COX: Okay. And then lastly on that,
17 I understand you're also transferring the tanker aircraft
18 from Malmstrom to MacDill Air Force Base in Florida, which I
19 recall in '93 we transferred to the Commerce Department or
20 somewhere else. Is this reactivating a base? I assume there
21 is some military reason why this is important to reactivate a
22 base.

1 SECRETARY WIDNALL: Do you want to speak to that?

2 GENERAL FOGLEMAN: Let me speak to that. There are
3 several reasons that we looked at the action of moving the
4 tankers from Malmstrom to MacDill. The first had to do with
5 the fact that we have ended up in the Air Force being
6 directed to continue to operate that airfield at MacDill.

7 So, basically, the Air Force is operating an
8 airfield to support the two large unified commands that are
9 down there and the Department of Commerce activities. We
10 have no force structure on the base.

11 We also have -- when we look at the way our tankers
12 are distributed around the country, trying to match the
13 receivers with tankers, we have a deficiency of tankers in
14 the Southeast United States.

15 So as we looked at ways to realign force structure
16 and get the benefit for the dollars that were being spent, it
17 made sense to us to examine taking those tankers out of
18 Malmstrom, closing the flying operation at Malmstrom and just
19 continue to operate the missile field.

20 We began to look in the Southeast at various
21 locations where we might put those tankers. For instance, we
22 could have put them in the Charleston Air Force Base, but

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1 that's a base that we're currently flying 141s out of, and
2 we're in the process of building our C-17 fleet down there.

3 We eventually came to MacDill, large ramp. We're
4 paying to operate the airfield. Why not put the force
5 structure in there and get the benefit of it and take the
6 savings in shutting down the Malmstrom flying operation?

7 COMMISSIONER COX: I believe there was an issue in
8 '93 of whether we actually needed to continue the airfield,
9 whether you all needed to continue the airfield.

10 GENERAL FOGLEMAN: There was, and there is an audit
11 trail of exchanges between the Department of Commerce,
12 Department of Defense, and I might let Jim -- I think he
13 knows the record better than I, but in the end, the
14 Department of the Air Force was directed to continue to
15 operate that airfield.

16 MR. BOATRIGHT: Jim Boatright again. It was our
17 belief earlier that we could support the requirements of the
18 two unified commands at MacDill out of the Tampa
19 International Airport with some modest requirements at
20 MacDill.

21 So the transfer of the airfield to the Department
22 of Commerce appeared to make a lot of sense, and so we

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1 supported the previous recommendation.

2 As the requirements to support the CINCs was
3 reviewed within the Joint Staff and it was determined that
4 those requirements were considerably greater than what the
5 Air Force had believed them to be, it became apparent as we
6 began to analyze this that we were going to have to use
7 MacDill substantially to support the CINCs.

8 And in doing that, our requirements would represent
9 somewhere around 90 to 95 percent of all the air operations
10 at MacDill. Therefore, to have the airfield transferred to
11 the Department of Commerce with the Department of the Air
12 Force paying for 95 percent of the costs of running that
13 airfield didn't seem to make much sense to us.

14 So we have asked for a redirect, asking you to
15 direct that the Air Force be allowed to continue to operate
16 that airfield, and we will serve the Department of Commerce
17 as a tenant on that airfield, and the Department of Commerce
18 will pay the Air Force for that portion of use that they
19 have.

20 Now, in addition to that, because we have to
21 operate it now, and the airfield is going to be open and
22 we've got those sunk costs in the airfield, it would appear

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1 that it is very prudent for us to move some force structure
2 in there and take advantage of that and make it more cost-
3 effective.

4 So the movement of the Malmstrom KC-135 aircraft
5 gave us that opportunity to do that, and we believe that that
6 proposal all put together is a very cost-effective and good
7 solution under the circumstances.

8 COMMISSIONER COX: Thank you. I wonder if you
9 might provide the audit trail that you mentioned, General
10 Fogleman, as you all went through this process.

11 GENERAL FOGLEMAN: Certainly.

12 COMMISSIONER COX: Thank you.

13 CHAIRMAN DIXON: Thank you, Commissioner Cox. Now,
14 Madam Secretary and Generals and other kind and cooperative
15 people here at the front table, we would like very much to
16 have another short round.

17 We'd like to take a ten-minute break and bring you
18 back for a shorter round of questioning with the assurance of
19 the Chair that everyone will be out of here by 4:30. Is that
20 satisfactory?

21 SECRETARY WIDNALL: That's fine.

22 CHAIRMAN DIXON: You're very kind to indulge us. A

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1 ten-minute break.

2 (A brief recess was taken.)

3 CHAIRMAN DIXON: Madam Secretary, I want again to
4 express the profound appreciation of the Commission for you
5 and General Fogleman and all of the distinguished people in
6 your group giving us your valuable time the entire afternoon.

7 And I know you understand that as we pursue this
8 course and ask the hard questions it's largely because it is
9 a general feeling of many of us on the Commission, and
10 particularly the Chair has expressed many times we don't want
11 to cause any undue alarm in the country by adding a lot of
12 additional bases on the list.

13 There will be additions, incidentally, but we're
14 going to try to keep that limited to the extent that we can.
15 So we feel it's imperative for us to ask all the tough
16 questions, and I know you understand that it's not a question
17 of picking on you or anybody else. It's a question of trying
18 to get the final facts in place so we can make the judgment
19 calls.

20 Thank you for giving us an opportunity for another
21 round, and I'm going to recognize Commission Davis to begin
22 again for us.

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1 COMMISSIONER DAVIS: Thank you, Mr. Chairman. At
2 the risk of becoming boring, Secretary Widnall, the staff has
3 got one follow-up question. If you decided to close a depot-
4 - God help us -- would the non-BRAC savings still count in
5 that process?

6 SECRETARY WIDNALL: That sounds like a very
7 technical question to me. Shall I ask Mr. Orr to answer that
8 question? Let me just say we are completely committed to
9 downsizing Air Force depot capacity to CORE whether we do it
10 by means of five depots or four depots. But let me ask
11 Mr. Orr to respond to the technicality.

12 MR. ORR: I believe the answer would be that they
13 will not be accountable as a BRAC savings.

14 COMMISSIONER DAVIS: What I'm talking about is, if
15 you can bring that chart up from the Sec Def's briefing and
16 you had on other charts, the non-BRAC actions there, would
17 they still be -- just for a data point for us, would they
18 still apply even if you closed one depot, realizing --

19 MR. ORR: A certain portion of those, sir, would
20 apply even if you close one depot. The only portion that
21 wouldn't would be, that which is coming out of that
22 particular depot.

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1 COMMISSIONER DAVIS: Okay. Fine. Thank you very
2 much.

3 CHAIRMAN DIXON: And would you please identify
4 yourself for the record.

5 MR. ORR: I'm Ron Orr.

6 CHAIRMAN DIXON: Please forgive me. I have to do
7 that so that we don't show General Fogleman saying something
8 that Secretary Widnall said or something of that sort. You
9 understand why.

10 COMMISSIONER DAVIS: Madam Secretary, if I may
11 switch to undergraduate pilot training, I know the Air Force
12 and clearly the Navy have been pursuing undergraduate pilot
13 training for some time, but you really have been diligently
14 pursuing it in the last couple years.

15 The consolidation of the navigator training has
16 gone very well as I understand, and it's clearly a success
17 story. In regards to the training of the pilots, in your
18 view, what are the advantages and limitations of fully
19 consolidated Air Force and Navy undergraduate pilot training?

20 SECRETARY WIDNALL: Well, let me just echo that we
21 are proceeding with the plan that's been worked out for joint
22 Air Force-Navy cooperative training. I guess I'd like

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1 General Profitt to speak to the specifics of how far we've
2 gone with this joint implementation and to some of the
3 benefits.

4 COMMISSIONER DAVIS: Having known General Profitt
5 for a long time, I'm delighted to be in this position to be
6 asking him questions.

7 GENERAL PROFITT: Major General Glenn Profitt. I'm
8 the Director of Operations and Training in Air Education and
9 Training Command. Sir, we have, in the past two years, as
10 you've stated, gone a long way in what we refer to it as
11 joint training. Some call it consolidated, but we like to
12 look at it from a joint perspective.

13 Pilot training in joint squadrons is happening at
14 Reese Air Force Base today. Navy students are going through
15 Air Force squadrons, and there is an Air Force commander of
16 that squadron and a Navy operations officer, and those roles
17 the switch after a period of time.

18 The same thing is going on at Whiting Naval Air
19 Station. Air Force students are going through pilot training
20 in the Navy system today. And as you stated in your
21 statement, the joint navigator training consolidated at
22 Pensacola between the Air Force and the Navy will begin this

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1 October, and that is on track. So it's a very successful
2 program.

3 COMMISSIONER DAVIS: Can I ask a follow-on? What
4 was the effect, if any, of DOD staff policy regarding cross-
5 servicing of the Air Force pilot training with the Navy on
6 training requirements and on basing decisions?

7 And if I could add a follow-on to it, did you look
8 at, in this joint servicing situation, the combination of
9 Meridian, Mississippi, and Columbus with their contingency
10 borders in that process?

11 GENERAL PROFITT: Yes, sir. I was a member of the
12 Joint Cross Service Group that looked at undergraduate pilot
13 training and provided inputs to the services, our group did.
14 The Joint was kind of an underpinning of the philosophy.

15 However, the specifics of analyzing capacity based
16 upon using joint squadrons was not part of the process, but
17 that was really not important, because that's just a function
18 of production of what's coming through there, whether they're
19 Air Force or Navy. So it doesn't really matter, in terms of
20 capacity. And your follow-up question, sir, was?

21 COMMISSIONER DAVIS: The Meridian, Mississippi,
22 undergraduate pilot training as is Columbus, and they're only

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1 about 50 to 70 miles apart, is there synergism by keeping the
2 two of them operating together?

3 GENERAL PROFITT: We did look at that. We looked
4 at it two times specifically. Earlier on, we looked at it
5 and could not, through our analysis, come to any conclusion
6 that it provided any benefits in terms of cost savings.

7 At the end, at the very end before the final
8 submittal was given to OSD, we did another, again, short-term
9 analysis on this to look at the concept of what we call a
10 complex. It was what was stated as any benefits from a
11 complex, and then the specific one we looked at was whether
12 or not it made sense to put all of the primary training in a
13 complex of Columbus and Meridian.

14 The short answer to that, there was no benefit that
15 we could see that made it make sense in terms of cost savings
16 and benefits. We are continuing to look at this from a cost
17 benefit analysis, and we can't find any savings.

18 The numbers of airplanes you buy, the numbers of
19 classrooms and simulators and those kinds of things that you
20 need is strictly based upon student capacity, student
21 throughput through there, and it's based on that, not on
22 separating the bases. I would also say, frankly, there could

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1 be some negative savings from bringing all that congestion
2 that close.

3 COMMISSIONER DAVIS: And I hate to pursue this, but
4 I think it's very important in the deliberations of this
5 Commission, in pursuing the joint UPT, if you will, are there
6 some common requirements between the Navy and the Air Force,
7 and then are there some Air Force-specific requirements for
8 pilot training that would impact on your base decision?

9 GENERAL PROFITT: Yes, sir, it did. And that was a
10 complexion that we dealt with with the Cross Service Group.
11 There are some things that we do jointly that are similar,
12 the primary one being primary training, the initial training
13 phase.

14 But there are some things that we do that are
15 totally different, and that one being, the most obvious one
16 being strike training for the Navy, which involves carrier
17 operations, landing on carriers and that kind of training,
18 which is very intense for the Navy but not required for the
19 Air Force.

20 The flip side of that would be for the Air Force in
21 our fighter bomber training track. It's specific to our
22 needs and does not suit the Navy. So there is differences

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1 there that don't really mix very well.

2 COMMISSIONER DAVIS: As we work through this joint
3 pilot training business, as you know, UPT is dependent upon
4 force structure and national emergencies and things like
5 this.

6 By taking the actions that have been proposed by
7 the Department of Defense, is there sufficient capacity to
8 ramp up in case we have to go back into another, God forbid,
9 Vietnam situation where we're producing 4,000 pilots a year?

10 GENERAL PROFITT: That's an interesting debate.
11 Because of the MRC concept, it's kind of a come-as-you-are
12 situation war-wise, but we were very concerned about and
13 careful to make sure we had surge capacity and enough
14 capacity to meet immediate needs.

15 Long-term force structure increases would require,
16 obviously, long-term force structure decisions for pilot
17 training, too.

18 COMMISSIONER DAVIS: And you don't of we're
19 foreclosing anything with the closures from a Department of
20 Defense standpoint, not just an Air Force standpoint?

21 GENERAL PROFITT: With the current recommendation,
22 no, sir.

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1 COMMISSIONER DAVIS: And my last question is just
2 to, sort of, give us a thought process. The Air Force
3 selected Reese Air Force Base, Texas as its specialized
4 undergraduate pilot training site and introduced the T-1
5 training aircraft there and initiated the consolidation of
6 undergraduate pilot training with the Navy in a joint
7 program.

8 Based on these decisions, it made the impression
9 the Air Force placed the highest value on Reese Air Force
10 Base. Why has the Air Force now rated Reese so low in
11 comparison to other undergraduate pilot training category
12 bases? And we do have a chart, I think, Tier 1 to Tier 3.
13 And Madam Secretary, you're always welcome.

14 SECRETARY WIDNALL: Well, I could make some general
15 remarks and then ask General Profitt to amplify. First of
16 all, as I think we said in our opening statements, we find
17 ourselves in the very unhappy position of looking at
18 excellent facilities for recommendations for closures. This
19 is indeed a painful process.

20 In the case of undergraduate pilot training, we
21 developed a set of criteria. There were dozens and dozens of
22 variables that went into this.

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1 I must say what we needed to do this time around
2 was to identify, to, I guess I'd say, make a spread to
3 amplify, magnify the differences between facilities so that
4 we could come out with a recommendation.

5 It is a painful process, but we feel that all the
6 analytical work that we did has given us a valid
7 recommendation. I'll ask General Profitt to, sort of,
8 amplify some of the specifics that went into it.

9 GENERAL PROFITT: In regards to the SUPT, which was
10 part of the T-1 decision and starting off at Reese, I wasn't
11 there for that, and so I can't really give you -- I wouldn't
12 testify to why that process developed.

13 But I would tell you this: that we're doing T-1
14 training at Randolph and at Reese right now and Laughlin, and
15 Vance comes on this fall. In terms of cost of moving or
16 closing, it didn't really make much of a difference, the
17 marginal change in that.

18 It didn't make much of a difference in terms of
19 what base you close, because as the Secretary stated, all of
20 them are very good bases.

21 CHAIRMAN DIXON: That was General Profitt that made
22 that statement, and I went to again say we have to keep the

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1 record accurate on this so that we know who did make the
2 statement. General Profitt.

3 GENERAL PROFITT: Sorry, Mr. Chairman.

4 COMMISSIONER DAVIS: And one final question. Could
5 you provide the Commission staff that data that you went
6 through, the computations? Because that's a very important
7 process to sustain UPT. And
8 Mr. Chairman, my time has expired.

9 SECRETARY WIDNALL: Could I add one thing?

10 CHAIRMAN DIXON: Please do.

11 SECRETARY WIDNALL: Let me just make a note for the
12 record that -- well, first of all, General Profitt was our
13 representative on the Cross Service Working Group, and the
14 Cross Service Group submitted a recommendation to the Air
15 Force and the Navy as to which undergraduate pilot training
16 bases we should recommend for closure, and both the Air Force
17 and the Navy followed those recommendations. So our
18 decisions are consistent with the recommendations of the
19 Cross Service Group.

20 CHAIRMAN DIXON: Thank you, Madam Secretary.
21 Commissioner Robles.

22 COMMISSIONER ROBLES: Thank you, Mr. Chairman.

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1 Secretary Widnall, a February 13, 1995, memo to the Assistant
2 Secretary of Defense for Economic Security on behalf of the
3 Director of Defense Research Engineering states in part, "The
4 laboratories retain significant duplication and excess
5 capacity.

6 "To offset capacity and duplication, the joint
7 Cross Service Group recommended the consolidation of command
8 control communications and intel research in development at
9 Fort Monmouth, New Jersey, the consolidation of explosives at
10 Picatinny Arsenal New Jersey and the consolidation of
11 research and development propellants at China Lake,
12 California."

13 Would you care to at least talk a little bit about
14 some of the determinations, some of the deliberation that
15 went on? Because none of those recommendations were
16 incorporated in your particular submission.

17 SECRETARY WIDNALL: No. Well, that's not quite
18 true. We did, in fact, follow the recommendation to co-
19 locate the C3I, C4I activities at Fort Monmouth. And so we
20 did, in fact, follow those recommendations.

21 I will probably at some point turn this over to
22 General Moorman, but just let me speak to the issue of the

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1 explosives. We have at Eglin Air Force Base a full-service
2 armament development. It goes all the way from the most
3 basic research and development on explosives, charge-shaping,
4 sensors and intelligence through the development of specific
5 weapons through the test and evaluation of those weapons.

6 It is, in fact, a remarkable activity. We
7 certainly took that recommendation under advisement, but in a
8 fundamental sense saw no particular benefit to be gained from
9 pulling out one part of the basic and applied research
10 activity and sort of making Eglin other than a full-service
11 activity, and I've asked General Moorman to follow-up.

12 GENERAL MOORMAN: The only thing I would add --
13 General Moorman. The only thing I would add to Secretary
14 Widnall's comment is that when we received, Mr. Commissioner,
15 that recommendation, we did an analysis, and we came to a
16 different conclusion on the value of Edward and Eglin in the
17 area of propellants and explosives.

18 We briefed that to the DDRNE, and our views and our
19 analysis are pretty well known, and we'd be pleased to
20 provide that to the Commission.

21 COMMISSIONER ROBLES: Thank you. Secretary
22 Widnall, did I hear you, understand you did move all your C3I

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1 to Fort Monmouth?

2 SECRETARY WIDNALL: Well, we took the activities at
3 Rome Lab -- some of them are directly C3I. Other of them are
4 other kinds. There is a slide available. Maybe we could put
5 the Rome Lab slide -- there are a number of activities at
6 Rome which are directly related to work going on at Hanscom.

7 And it was felt it would be better to put those
8 activities, in some sense, with their parent organization,
9 but the more basic part of the activities at Rome is going to
10 Fort Monmouth, the C3I basic activity.

11 COMMISSIONER ROBLES: Thank you.

12 SECRETARY WIDNALL: And there is some specific
13 outlines there, and we, of course, provided that to you.

14 COMMISSIONER ROBLES: Thank you. The next
15 question, in recommending the closure of Brooks Air Force
16 Base, the Human Systems Center, including the School of
17 Medicine and the Armstrong Laboratory, the recommendation was
18 to move it to Wright-Patterson Air Force Base.

19 Part of the justification for your recommendation
20 is that the Air Force has more laboratory capacity than
21 necessary to support the current and future Air Force
22 requirements.

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1 My question is what consideration was given to
2 observing workload and eliminating excess capacity at other
3 service -- that is, instead of moving it to Wright-Patterson,
4 could some of the same excess capacity in the other services
5 have been moved to Brooks to more fully utilize that capacity
6 as another cross-servicing initiative?

7 And the second part of my question is what other
8 alternatives were looked at other than Wright-Patterson Air
9 Force Base? Was Wright-Patterson your only solution, or were
10 there several other solutions?

11 SECRETARY WIDNALL: Well, I think we'll ask General
12 Moorman to speak to that, but let me just say that we have
13 made -- we made overtures to both the Army and the Navy to
14 collate some of those activities in a cross-service mode with
15 them. But let me ask General Moorman to respond to your
16 entire question.

17 GENERAL MOORMAN: The Secretary is quite right. We
18 made overtures and looked at both consolidating at Brooks and
19 consolidating at other Army and Navy activities, and those
20 were not accepted in the process.

21 As to your question as to what did we look at
22 besides Wright-Patterson, we looked at other product centers

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1 within the Air Force, Hanscom, Los Angeles, for example. I
2 think we also looked at Kirtland.

3 And because of the capacity at Wright-Patt that we
4 could go into, available buildings, as well as the match
5 between the things that are moving up there, the Human
6 Systems Center as well as Armstrong Lab, was such a good
7 match with our product center, which develops airplanes, that
8 overwhelmingly looked like the best place to move.

9 COMMISSIONER ROBLES: Thank you. As you know,
10 there is a statutory prohibition against retiring B-52Hs, B-
11 1Bs and F-111 aircraft contained in the FY '95 Defense
12 Authorization Act. To accommodate this prohibition while
13 drawing down your active bomber inventory, you created a
14 reconstitution reserve.

15 I think just for the edification of the rest of the
16 commissioners and myself for sure, how has the reconstitution
17 reserve affected the required basing structure of the Air
18 Force? And secondly, what is the Air Force operational
19 concept for maintaining these aircraft on the ramp, the
20 process for returning them to combat-ready status in the
21 event of a mobilization and the sourcing of combat-ready
22 crews to fly? In other words, what's this all about, this

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1 concept?

2 SECRETARY WIDNALL: Yes. I'll ask General Fogleman
3 to respond to that, except I guess you're not allowed to say
4 anything about F-111s because that's small aircraft.

5 GENERAL FOGLEMAN: Except bases. I can't talk
6 about bases. I think I can talk about force structure, but
7 I'll turn and ask my lawyer and see how tense she is at this
8 point.

9 But relative to the Commissioner's direct question
10 on the bomber reserve issue, certainly the fact that the
11 total number of aircraft to be accommodated within the base
12 structure includes these reserve airplanes played a factor in
13 overall base requirements.

14 There is a misconception or a misconstrued view
15 of what we're talking about when we talk about these reserve
16 airplanes. What we are doing is we are putting these
17 aircraft into a flying reserve status. We are not assigning
18 flying hours or crews against them.

19 What we will do is we will take the money that we
20 would use to pay for flying hours and for air crews and take
21 those savings, and we're investing that in modernization
22 programs for the bombers and to buy new precision guidance

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1 munitions to go onto these bombers out toward the end of the
2 decade.

3 So it is in the 1999, year 2000 time frame that we
4 begin to bring these aircraft out of their reserve status.
5 We begin to train air crews, and we have programmed the
6 flying hours to begin to fly these aircraft out in that time
7 frame after they're modified and more capable.

8 In the meantime, while they are on the ramps, they
9 will undergo the required tech order compliance items, et
10 cetera to keep them viable airplanes so that when we get out
11 there at the end of the decade we'll be able to fully man
12 them, fully fly them, and they'll become part of our
13 deployable bomber structure.

14 COMMISSIONER ROBLES: Thank you, General Fogleman,
15 very informative. My final question, noncontroversial
16 question, we have heard numerous statements regarding the
17 1993 Commission recommendation to establish the East Coast
18 Mobility Wing at McGuire Air Force Base instead of
19 Plattsburgh Air Force Base, New York, as recommended by the
20 Air Force.

21 A couple questions. First, has the Air Force been
22 satisfied with this decision, and has the establishment of

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1 the East Coast Mobility Wing progressed to your satisfaction?
2 Do you think it is where it should be? And finally, will the
3 wing be able to accomplish its mission out of McGuire?

4 GENERAL FOGLEMAN: Clearly, the Commission's
5 activity in 1993 was not what the Air Force recommended.
6 However, given that the Commission's report had the authority
7 of law, the Air Force elected to execute the direction that
8 we have been given.

9 So we have taken the necessary actions to place the
10 force structure into McGuire that will allow us to build --
11 and, in fact, that air mobility wing stood up last year. It
12 is functioning well, and at this point we are satisfied with
13 the progress that is being made with it.

14 COMMISSIONER ROBLES: Thank you, General Fogleman.
15 Madam Secretary, thank you.

16 CHAIRMAN DIXON: Thank you very much, Commissioner
17 Robles. Commissioner Steele.

18 COMMISSIONER STEELE: I apologize in advance. My
19 questions are a bit all over the map here. General Fogleman,
20 consisting that approximately 5.5 fighter wing equivalents
21 remain based overseas, how much capacity should be retained
22 in the Continental U.S., in terms of land-usable facilities

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1 and training facilities and ranges for basing those units, if
2 they are to return?

3 GENERAL FOGLEMAN: General Fogleman. I must tell
4 you this is a subject that I'm going to have to defer to one
5 of the other members, because it has to do with small
6 aircraft basing.

7 COMMISSIONER STEELE: Okay. I apologize.

8 GENERAL MOORMAN: I will begin to talk to that, and
9 then I will pass this to -- General Moorman -- pass it to
10 General Blume. The question is of excess capacity. That was
11 our overseas force structure and how we might accommodate
12 that in the United States, and did we look at that in our
13 considerations.

14 We went through a major effort in looking through
15 at the small base situation. We began with looking at the
16 units that should be considered in that. Then, we looked at
17 what was our excess capacity.

18 Then, we made a list and compared that against the
19 eight criteria, came up with a tiering. From the tiering, we
20 looked at various bases that are at the bottom of the tier
21 and some ones that the Secretary asked us to look at in
22 combination.

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1 And then we went into a process what gets very much
2 to your question. We went into a process of looking at the
3 operational concerns about ramp space, the operational
4 considerations on range capabilities and access to ranges,
5 maintenance considerations, and those kinds of things.

6 And then, at the very end we looked at and found
7 that we would not close any small bases because we did not
8 have the right kind of capacity to permit that, and we wanted
9 to preserve the flexibility in the event we would have to
10 accommodate overseas fighter wings.

11 So that gets right to your question, and that's why
12 you see that the Air Force's recommendation was not to close
13 any small aircraft bases.

14 To explain the complexity of when I say the
15 operational considerations, we tried to match one base, one
16 boss, comparable units on -- or comparable force structure on
17 individual bases.

18 For example, F-16 Block 30, 40 and 50s we tried to
19 put them, if they were to move from base to base, to other
20 bases that had comparable force structure. I'd like to
21 illustrate that by showing a slide and asking General Blume
22 to speak to it.

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1 It is one of the bases we looked at, which was
2 Cannon, and really points out the complexity in moving force
3 structure around in the event of a base closure. This
4 assumes a single-base closure, and the base would be Cannon
5 in New Mexico. General Blume.

6 GENERAL BLUME: Major General Jay Blume. If you'd
7 notice, on the chart, Cannon Air Force Base has 54 F-16s.
8 That's two squadrons of Block 30 and one squadron of Block
9 50. When I say "blocks," these are different avionics. They
10 are somewhat compatible.

11 The 24 F-111s and 6 F-111s would be moving, as you
12 can see the arrow, over to Nellis Air Force Base to excess
13 capacity at Nellis. There is also a movement of two of the
14 squadron of those Block 30s over to Moody Air Force Base.
15 That's where you get the plus 36.

16 But to do that you have to move out 36. Now, you
17 say why would you want to move in and move out? Well, you
18 need to keep the commonality, and to do that you have to move
19 those Block 40s, which are Lantern airplanes, to other Block
20 40s, other Lantern airplane bases, and the only ones there is
21 out at Hill Air Force Base.

22 So you move in 36, which forces you have to move

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1 out 36. The other Block 50 squadron is moved from Cannon Air
2 Force Base to Shaw to marry up with other Block 50 squadrons.

3 Then you know that -- you see the totals at the
4 bottom. There are five squadrons now at Shaw. That's very
5 heavy loading. There have been five squadrons at Shaw
6 before. So we thought that that was workable.

7 Moody is maxed out with the composite wing force
8 structure, as you see in the total there. And then you move
9 over and look at Nellis. Realizing Nellis, it says, well,
10 there is only two squadrons, but you also have the fighter
11 weapons wing.

12 And I think you all know that a great deal of
13 training goes on at Nellis. We bring in our flags, the red
14 flag and green flag, which at times will overload and have
15 over 100 Air Force aircraft and Navy and foreign aircraft
16 that will come in and participate.

17 So Nellis is really loaded also. Then, you look up
18 at Hill. Hill Air Force Base then winds up -- and this was -
19 - Hill, in many of the cases of our trying to bed down this
20 force structure, winds up with extremely heavy load.

21 You see six squadrons of Block 40 F-16s, 90 F-16s,
22 15 PAA F-16 Block 30 for the Air Force Reserve. That's too

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1 heavy a loading for Hill Air Force Base.

2 Those are the types of considerations,
3 Ms. Commissioner, that we looked at in every case in trying
4 to maneuver this force structure around but to keep it where
5 it made sense, to keep the right engines together so you
6 don't have multiple engines in an engine shop, that you keep
7 the right avionics together, so that is grouped together.

8 And you keep the missions at a base where they can
9 do their particular training with the ranges and the air
10 space that has to be adjacent to it.

11 COMMISSIONER STEELE: Thank you. At this late hour
12 it was a good job. You anticipated my two follow-on
13 questions and saved some time for the whole panel. So thank
14 you very much.

15 Regarding Brooks, your recommendation to close
16 Brooks Air Force Base involved closing all activities and
17 facilities, including family housing. We understand that
18 there is a large waiting list for family housing at nearby
19 Lackland Air Force base. Why did you recommend not to
20 include the retention of family housing at Brooks to help
21 satisfy this need?

22 SECRETARY WIDNALL: Mr. Boatright, do you want to

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1 respond to that?

2 MR. BOATRIGHT: It was my understanding that we had
3 -- Jim Boatright. Excuse me. It was my understanding that
4 our recommendation would have left the family housing for
5 use.

6 COMMISSIONER STEELE: In that case, I'm sorry if
7 I'm mistaken.

8 GENERAL BLUME: No.

9 MR. BOATRIGHT: Okay. I'll have to defer to
10 General Blume, then, because I thought that we were leaving
11 it.

12 GENERAL BLUME: No. As a matter of fact -- this is
13 Major General Jay Blume. Let us check it again as Jim and I
14 were -- as we looked at this, but I feel confident there was
15 a total closure of Brooks Air Force Base that was
16 recommended. We would look at this to be sure that that's
17 the case, though.

18 COMMISSIONER ROBLES: It is the case. It says,
19 "All activities and facilities at the base, including family
20 housing and the medical facility will close."

21 GENERAL BLUME: Yes. I felt confident that that
22 was our -- this is Major General Blume again. That was our

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1 recommendation. And your question is why did we do that?

2 COMMISSIONER STEELE: Correct.

3 GENERAL BLUME: It's been policy that as far as the
4 Air Force -- once we close a base, we close all of the base,
5 and this was no exception.

6 COMMISSIONER STEELE: If it could help the Air
7 Force in another base to allow housing of that base to be
8 utilized, would it be appropriate in this particular case to
9 maybe revisit that, or is there something, an overall policy
10 that would be breached by doing so?

11 MR. BOATRIGHT: I don't think there is any
12 overriding
13 policy --

14 CHAIRMAN DIXON: This is Mr. Jim Boatright.

15 MR. BOATRIGHT: Jim Boatright again. We could
16 retain housing for that purpose. I think a lot of it has to
17 do is where is the housing located within the facility? And
18 if my recollection is correct, at Brooks it would be very
19 difficult to carve that housing out and continue to operate
20 it as military housing and keep a disposal there of property
21 that would be viable for reuse by a local community reuse
22 authority.

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1 So I think those are the kind of things that we
2 would need to look at, but -- I guess that's the extent of my
3 answer.

4 COMMISSIONER STEELE: Okay. And unfortunately, my
5 time has expired. I saved my good ones for last, which was a
6 big mistake. I'll never do that again.

7 CHAIRMAN DIXON: If you have another good one, I'd
8 love to hear it, Commissioner Steele. Ask one more.

9 COMMISSIONER STEELE: Which one to pick. Okay.
10 We'll make it one with several parts. Madam Secretary, at
11 one time Hill Air Logistics Center performed maintenance
12 depot support for the Navy F-18. In your view, what were the
13 strengths and weaknesses of this interservicing effort, and
14 why do you feel the Navy may have discontinued their support
15 of this interservicing?

16 And as a follow-up, are you satisfied that your
17 recommendations in the area of fixed-wing aviation depots
18 represent a comprehensive approach to the problem of
19 interservicing and the efficiencies that could be realized?

20 SECRETARY WIDNALL: And there he is, Mr. Ron Orr.

21 MR. ORR: This is Ron Orr. First, on the F-18,
22 that was a competitive bid with industry, North Island and

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1 Hill Air Force Base, as you stated, which Hill Air Force Base
2 won.

3 Approximately 15 months into it looked at a slight
4 change in that contract and looked at a merit-based system
5 between Hill Air Force Base and North Island and determined
6 that it could be done cheaper at North Island.

7 This was a decision made by the Navy. I am not up
8 to speed on all of the analysis which the Navy accomplished.
9 However, what they looked at is that we were in a cost
10 overrun at that time.

11 In the first year, we believe about 25 percent of
12 that was because of learning curve and some things that we
13 needed to improve upon.

14 About 25 percent of that was some things we needed
15 to learn on how to work with -- the material system was not
16 compatible between the Navy and the Air Force. That is, as
17 you ordered, materials didn't come in in a timely manner
18 because of some system problems, and that caused some delays
19 in cuing times.

20 And about 50 percent of it was due more to the use
21 of the Defense Contracting Agency, which we had not used
22 before and had not dealt with from an organic base.

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1 That was a good lesson learned on our part because
2 we are passing it on, in terms of how we can help our
3 industrial friends in terms of how we use the Defense
4 Contracting Agency, how we flow paperwork and how that does
5 drive up the cost. So that was a good lesson learned.

6 Again, I'm not privy to all the decisions and
7 analysis of the Navy, but they did make that analysis and
8 determined best, and that was coordinated by OSD and agreed
9 to by us.

10 In terms of overall aviation depots, I don't
11 remember exactly the question you asked again, Ma'am.

12 COMMISSIONER STEELE: Are you satisfied that your
13 recommendations in the area of the fixed wing aviation depots
14 represent a comprehensive approach to the problems of
15 interservicing and the efficiencies that could be realized?

16 MR. ORR: I believe that we spent a lot of time in
17 the Joint Cross Service Group looking at where we can do
18 common aircraft. For example, the C-130s for the Navy are
19 done at Hill still, and that is work we perform. The F-4s
20 from the Navy are done -- excuse me, for the Air Force are
21 done at Cherry Point.

22 We have a significant amount of helicopter workload

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1 done by the other activities. We feel that while there is
2 room to do some additional interservicing after BRAC that
3 that was looked at in the BRAC process very deeply, and we
4 have the best answer we can come to at this point in time.

5 COMMISSIONER STEELE: Thank you very much, and
6 thank you,
7 Mr. Chairman.

8 CHAIRMAN DIXON: Thank you, Commissioner.
9 Commissioner Cornella.

10 COMMISSIONER CORNELLA: Thank you, Mr. Chairman.
11 Secretary Widnall, which of your recommendations are a direct
12 result of the alternatives presented by the Joint Cross
13 Service Groups? And please explain the use of information by
14 Joint Cross Service Groups.

15 SECRETARY WIDNALL: Okay. I think, actually, quite
16 a number of our recommendations are the result of the Cross
17 Service Working Groups, and I guess this is one point in our
18 discussion when I'd like to submit additional material for
19 the record because, as I understand, this is not a quiz. But
20 I'm trying to give you my sense of how the process worked.

21 I think, in, for example, the T&E area the Cross
22 Service Working Group recommended to us that we close a

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1 number of small facilities so that we could concentrate those
2 capabilities on some of our larger facilities.

3 The consolidation of Rome Laboratories at Fort
4 Monmouth was a direct result of the Cross Service Group. The
5 particular recommendations in undergraduate pilot training
6 that were made to both the Navy and the Air Force were now to
7 come to the Cross Service Group.

8 We certainly looked at the depot alternatives that
9 were laid out by the Cross Service Working Group, but in the
10 end we came to a different conclusion. I don't know whether
11 General Moorman wants to add anything to that list.

12 As I say, we were active participants in the Cross
13 Service Working Group, and we took the recommendations very
14 seriously. I believe the recommendation to implement the
15 electronic combat from Eglin to Nellis was also such a
16 recommendation.

17 GENERAL MOORMAN: Madam Secretary, the only thing I
18 would add -- General Moorman -- is that the Cross Service
19 Group, in laboratories, also pointed out the significant
20 value and importance of the Phillips Lab to us as a thing
21 that should be retained.

22 COMMISSIONER CORNELLA: Were Joint Cross Service

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1 issues addressed differently this round than in '93?

2 SECRETARY WIDNALL: Oh, it was a very different
3 process. Of course, I was not here in '93, but as I
4 understand, an outcome of the '93 recommendations was
5 direction by the Commission to the Department to put in place
6 an organized process for looking at cross servicing.

7 This process was headed by Mr. Deutsche, and we had
8 working groups in all the different that we've outlined and
9 service representatives on that group. These groups put in
10 place an analytical framework for evaluating cross service in
11 these different areas. So it was a much more organized
12 process, and as I say, we implemented a number of their
13 recommendations.

14 COMMISSIONER CORNELLA: Secretary Widnall, in
15 earlier testimony, Dr. Perry, General Shalikashvili and
16 Secretary Deutsche expressed the desirability of cross
17 servicing in depots, laboratories and test evaluation
18 facilities to reduce infrastructure. Do you believe that
19 cross servicing is in the best interests of the Air Force?

20 SECRETARY WIDNALL: Yes, I do, and of course we
21 have quite a bit of it going on, not just through this BRAC
22 process, but we have a number of unique facilities, and the

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1 other services have unique facilities, and we make common use
2 of these facilities now, and we would anticipate continuing
3 to do that in the future.

4 COMMISSIONER CORNELLA: General Fogleman, the Air
5 Force has recently instituted a two-level maintenance
6 structure instead of a three-level maintenance program. We
7 understand that this has resulted in a \$259 million savings
8 through civilian military manpower reductions. Will this
9 move to two-level maintenance create excess capacity at
10 certain bases, and should it lead to any infrastructure
11 reductions?

12 GENERAL FOGLEMAN: This is one of those areas
13 where, first of all, to answer the second part of your
14 question, the force structure reductions that have been
15 identified as a part of the two-level maintenance have
16 already been laid into budget.

17 You laid out the manpower savings, et cetera. So
18 they have already been taken out of the Air Force end stream.
19 So people must generate these savings. There is simply no
20 longer money in there to pay for these people.

21 The second part -- or the first part of your
22 question relative to does two-level maintenance generate

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1 excess facilities that might, then, lead to some
2 restructuring, you have to remember that the three levels of
3 maintenance that we used to have was what we called flight
4 line maintenance on equipment maintenance.

5 That has remained, for the most part, unchanged.
6 We may do a little bit more of that than we have in the past
7 because of reliability and maintainability types of
8 improvements.

9 The second type of maintenance that we used to do
10 was what we called back shop maintenance or intermediate-
11 level maintenance. That is where you would pull a part off
12 the airplane on a given base, and you would take it to a test
13 set that was in one of your back shops. You would try to
14 repair that locally.

15 What that forced us to do was replicate test sets
16 at various locations and the manpower that went with that.
17 That is the level of maintenance that we have removed.

18 The third level of maintenance is depot level
19 maintenance, and the depot level -- the scheme now is that if
20 you cannot troubleshoot it and fix it on equipment, then you
21 will take that equipment -- on the aircraft, you will take
22 that part, piece, or whatever it is, take it off, and you

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1 will ship it to the depot for repair.

2 So what we have done is we have gathered up some of
3 the support equipment that we had distributed out around the
4 world, and we've concentrated that in depots.

5 We have eliminated the mid-level maintenance
6 manpower, as I said. Now, in order for the depots to have
7 capability to do this, we have had some plus-ups within
8 certain areas in the depot.

9 The driving force behind two-level maintenance is
10 the following: In the World War II period, spare parts were
11 very inexpensive. Transportation was very expensive and very
12 scarce. In the new world that we now live in spare parts are
13 very, very expensive, and transportation has become
14 relatively cheap.

15 That combined with increased reliability and
16 maintainability allows us, then, to not have as much
17 inventory. So by going to this two-level maintenance, we can
18 have fewer of these very expensive parts moving very rapidly
19 through today's transportation network to be repaired in a
20 depot.

21 The net result, though, of facilities freed up is
22 kind of negligible. That is, on most bases where you were

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1 doing this back shop maintenance, you might have had an
2 equipment maintenance facility where you had these test
3 facilities, but that was imbedded in the maintenance complex.

4 That's the kind of thing that you would -- you had
5 an engine shop. You do, perhaps, less engine work on the
6 base now, but you still need a place to store engines and
7 these kinds of things.

8 So other than the manpower savings and the savings
9 associated with inventory, facilities-wise, two-level
10 maintenance is not going to make a great difference, I'm
11 afraid.

12 COMMISSIONER CORNELLA: Does it make it harder to
13 interservice?

14 GENERAL FOGLEMAN: No. I do not believe it would,
15 in the sense of impact on the depots. I would have to,
16 perhaps, think about that question. I haven't thought about
17 it from the interservice perspective, but on the surface, it
18 should not.

19 COMMISSIONER CORNELLA: Thank you. Mr. Chairman, I
20 have no further questions.

21 CHAIRMAN DIXON: I thank you, Commissioner
22 Cornella. Now, I realize that time passes swiftly, Madam

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1 Secretary, when you're having fun. We are down to the last
2 Commissioner's questions, and before we do that, let me
3 announce this:

4 Tomorrow morning, we'll have the Army. Tomorrow
5 afternoon we'll have the defense agencies over on the Senate
6 side in SD 106. That's tomorrow. Now, the minute my
7 distinguished colleague, Commissioner Cox, finishes her
8 questions, I'm going wrap this close, but we're going to have
9 another business meeting up here in front to adopt the rules
10 that have been the same in past rounds, but we need to do
11 that formally for the record.

12 So as you file out, would you all be kind enough to
13 kind of -- unless you're interested in watching grass grow,
14 you can come up here in front and watch us adopt our rules.
15 That's okay. We're going to do that in public because of the
16 open meetings laws, and we want our friends to know we're not
17 doing anything in secret around here.

18 But that's what's going to go on up here in a
19 minute. Sorry we won't be able to visit, express our
20 personal appreciation, Madam Secretary, General Fogleman, all
21 of you for your cooperation today, but we're going to have
22 another thing to do here. Commissioner Cox for our closing

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1 questions.

2 COMMISSIONER COX: Thank you, and I'll try to be
3 very brief. I have some questions about the last round. I
4 want to ask just a few more. In 1991, the BRAC Commission
5 closed Bergstrom, agreed to close Bergstrom but to retain the
6 reserve units if the community were willing to pony up for a
7 civilian airport.

8 The recommendation was contingent upon it, and in
9 1993 Air Force recommended that reserve units be relocated.
10 At that same time the community, having relied on that
11 commitment, had gone forward in what I might call detrimental
12 reliance to set up a funding program for that.

13 That ultimately -- frankly, the Base Closure
14 Commission considered that to be just plain unfair, and we
15 did not approve moving the reserve units. I understand now
16 that you all are asking to relocate those reserve units
17 again.

18 Has something changed in those two years? Is the
19 community no longer interested in airport? What's the
20 thinking behind this?

21 SECRETARY WIDNALL: I'd like General Bradley to
22 respond to that question.

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1 COMMISSIONER COX: Thank you.

2 GENERAL BRADLEY: Commissioner Cox, I'm Brigadier
3 General John Bradley. I'm the Deputy to the Chief of the Air
4 Force Reserve. What has changed since the decisions were
5 made in BRAC '91 and BRAC '93 is that during the summer of
6 '93, as the BRAC Commission process was proceeding through
7 the Congress, the bottom-up review was taking place.

8 I believe in September of '93, the results were
9 determined that the Air Force would have 20 fighter wing
10 equivalents. After that was completed, the Air Force Reserve
11 was left with one fighter wing equivalent of aircraft, which
12 is 72 fighters.

13 We had previously had 2.3 fighter wings in the Air
14 Force Reserve. So we had to come down 67 percent in our
15 fighter force structure. So to get to today, we have,
16 basically, six F-16 fighter units and two A/OA-10 units in
17 the Reserve. We're only allowed to have four F-16 units.

18 So we looked at all of the bases on which we're
19 located, and the training air space, the recruiting base, all
20 of the eight criteria that we were required to look at and
21 had to figure out which bases were the most operationally
22 effective and also looking at the costing of operating those

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1 bases.

2 And Bergstrom was the most expensive operation
3 because we were the host unit on that base, and its air space
4 was, in some cases, not as good as the air space that we had
5 for air-to-air training and air-to-ground training at other
6 locations.

7 So the big change, basically, was since those other
8 decisions were made we had six squadrons of F-16s, and we're
9 only allowed to have four at this time. So we needed to cut,
10 and Bergstrom was the most expensive.

11 COMMISSIONER COX: As far as you know, though, the
12 community has continued to live up to its commitment as
13 funding the airport? Are you aware of any change there?

14 GENERAL BRADLEY: Yes, ma'am. I know that the city
15 is proceeding with its airport plans there, is doing building
16 and has moved quite well forward on their airport plans there
17 at Bergstrom.

18 COMMISSIONER COX: Thank you. Just a comment, and
19 obviously, force structure has changed rather dramatically,
20 and that requires that we look at it again. But I do hope --
21 I worry about the Rome Labs, too, where we get in a position
22 where we, sort of, make commitments, and detrimental reliance

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1 from the communities on at least what they think is happening
2 can be very harmful to community, and, obviously, we have to
3 weigh that against the needs of the Defense Department. So I
4 hope we look at both of those.

5 Another quick question. There are some folks in
6 Riverside, California, who, I take it, have been involved in
7 looking at redirecting the rotary wing assets from El Toro
8 and Tucson to March Air Force Base.

9 I realize there hasn't been a lot of work done on
10 that, but can you comment on whether you would consider this
11 initiative acceptable to the Air Force?

12 SECRETARY WIDNALL: I think we'll let Mr. Boatright
13 respond to that. It's a, sort of, technical issue.

14 MR. BOATRRIGHT: Jim Boatright. The Air Force was
15 contacted, oh, a number of months ago. In fact, I was
16 contacted by community officials in Southern California with
17 some interest in relocating some Navy or Marine Corps units
18 to March Air Force Base.

19 I indicated to them that they should not be talking
20 to the Air Force about this, but they should discuss this
21 with the Navy and that the Air Force would be receptive to
22 such a proposal if the Navy would make such a proposal.

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1 One condition, however, and that was an overriding
2 condition, and that would be that if the Navy was to put
3 active duty Navy or Marine Corps units on March Air Force
4 Base, they would have to host the Air Force base, because we
5 would not agree to put our Air Force reserve unit -- this is
6 a reserve base now.

7 March is realigning its reserve base. We would not
8 put the Air Force reserve unit in the position of being a
9 host. That is counter to the primary purpose of the reserve
10 component. So with that condition, we said we would welcome
11 a proposal. We would certainly work with the Navy on such a
12 proposal.

13 And the bottom line is that the Navy did not bring
14 such a proposal to the Air Force. So as a result of that, we
15 have not given any consideration to that.

16 COMMISSIONER COX: And then lastly, really a
17 layman's question. We've talked about depots a lot. One of
18 the things the Navy said this morning is you really can't
19 compare Navy facilities on the East Coast necessarily with
20 Navy facilities on the West Coast, that the military value
21 may be more or less, but the geography is so important that
22 it has to override that.

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1 On depots, is there a geographical reason why you
2 would want to keep some depots versus another? Does that
3 show up in your military value? Is that separate the way it
4 was with the Navy this morning?

5 SECRETARY WIDNALL: I don't know if Ron wants to
6 make a comment, but I don't sense that we have the same
7 geographical constraints because we fly.

8 GENERAL FOGLEMAN: Could I, though, maybe before
9 Ron comments, say something about that? Institutionally, all
10 the services have approached depots, I think, differently
11 over the years. So today I think the Navy still has 11
12 depots, and that's because they need them for, as and you
13 say, geographic reasons, et cetera.

14 Over the years, the Air Force has tried very hard
15 to concentrate on five locations for all of its air
16 logistics; that is, its supply support, everything else as
17 well as its avionics or aviation depots.

18 So what we have done is we have not become tied so
19 much to geography as we have to functionality. So over time,
20 we have a large aircraft depot. We, actually have,
21 fundamentally, two of them -- Kelley Air Force Base and
22 Warner Robins.

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1 We have two engine depots, again Kelley Air Force
2 base, and Tinker, and I guess I would have to include Tinker
3 as a large aircraft depot also, but we get specialized by
4 aircraft type to a large degree.

5 So we have less of a geography issue than we do the
6 fact that associated with these depots we build very
7 sophisticated facilities to specialize in certain things, and
8 that was what Ron was talking about earlier when we were
9 trying to not duplicate that and to specialize. So I think
10 from my perspective, I would approach it that way.

11 COMMISSIONER COX: And would that be why it is
12 different, more difficult, more expensive to close depots in
13 the Air Force than it would be in, perhaps, some other --

14 GENERAL FOGLEMAN: Yes, and they are generally much
15 larger. I mean, because we only have five and we concentrate
16 all of these functions on those five, because we don't have
17 any history from the Indian Wars, we don't have West Elephant
18 Breath Depot and all these things from Fort wherever.

19 We have five because we're a post Second World War
20 phenomenon. As a result, you go to a place like Hill Air
21 Force Base where we build the worldwide landing gear
22 facility.

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1 If you were to decide to close Hill, you would
2 either have to contone that or replicate it somewhere else,
3 and virtually every one of our depots has something like that
4 on it. So you're right on target.

5 COMMISSIONER COX: Thank you.

6 CHAIRMAN DIXON: Thank you, Commissioner. My dad
7 always said, "Son, you'll learn something new every day," and
8 here I am learning that the Air Force has no history at all
9 from the Indian Wars, and that's useful, very useful.

10 (Laughter)

11 CHAIRMAN DIXON: My dear friends, I thank those of
12 up here in front, Madam Secretary, General Fogleman, all of
13 you for giving us your valuable day. We are going to go on
14 with our other business. The hearing is adjourned, and the
15 Defense Base Closure and Realignment Commission will come to
16 order for a business meeting.

17 (Whereupon, at 4:35 p.m., the hearing was
18 adjourned.)

19

* * * * *

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ORIGINAL

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BUSINESS MEETING

4:35 p.m.

106 Dirksen Senate Office Building
Washington, D.C.

Monday, March 6, 1995

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COMMISSIONERS PRESENT:

Alan Dixon, Chairman

Alton W. Cornella

Rebecca G. Cox

J. B. Davis

S. Lee Kling

Benjamin Montoya

Wendi Louise Steele

Josue Robles

* * * * *

C O N T E N T S

	PAGE
Business Meeting	3

Motions: 3, 5, 7, 8, 10, 11

P R O C E E D I N G S

1
2 CHAIRMAN DIXON: Ladies and gentlemen of the
3 Commission, I want to conclude the Commission's work today
4 with a brief business meeting to act on the Commission
5 Charter and Rules of Procedure, approve the Commission's
6 staffing structure and briefly discuss the Commission's
7 schedule for the next four months.

8 All of the Commission members should have received
9 copies in advance of all of the items we will discuss now.
10 They are also contained in Tabs 10 through 14 in the
11 notebooks in front of each of you right now, okay?

12 Tab 10 contains the proposed Charter for the
13 Commission. It simply sets forth the objectives and scope of
14 our activity, our duties and responsibilities and the
15 estimated operating costs of the Commission over its
16 lifetime.

17 Are there any questions about Tab 10? Because if
18 there are no questions or discussion, I would at this time
19 entertain a motion that the Charter be approved as proposed.

M O T I O N

20
21 COMMISSIONER DAVIS: So moved, Mr. Chairman.

22 COMMISSIONER COX: Second.

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1 CHAIRMAN DIXON: It's moved by General Davis,
2 seconded by Ms. Cox that the charter be approved as proposed.
3 Is the reporter able to hear me all right? All in favor say
4 aye.

5 (Chorus of ayes.)

6 CHAIRMAN DIXON: Opposed?

7 (No response.)

8 CHAIRMAN DIXON: None. The ayes have it, and the
9 motion is adopted. Tab 11 contains the Proposed Rules of
10 Procedure for the Commission, and these Rules are identical
11 exactly to those used by the 1993 Commission, and the Rules
12 allow us to hold public hearings with one or more
13 Commissioners present.

14 I hope that we'll have most or all of the
15 Commissioners present at all of our hearings, but I know this
16 will be difficult to achieve.

17 However, the Rules provide that when the Commission
18 meets to consider and act on the recommendations of the
19 Secretary of Defense or the Commission's report to the
20 President, including any recommendation to add a base to the
21 Secretary's list for consideration, we must have a quorum
22 present consisting of a majority of members of the Commission

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1 serving at that time.

2 Any action taken by the Commission with respect to
3 the recommendations of the Secretary or the Commission's
4 report to the President, including any addition of any base
5 to the Secretary's list for consideration, must be by a
6 majority vote of the Commission members serving at that time;
7 in other words, that we're all alive and well and serving.
8 It's going to require five.

9 For example, to remove base -- now listen to this,
10 now. For example, to remove a base from the Secretary's
11 list, to change one of the recommendations on the Secretary's
12 list or to add a base for consideration to the Secretary's
13 list will require the votes of a majority of the
14 Commissioners serving at the time of the vote.

15 Now, you understand that means five. If there is a
16 tie vote, four to four, now, and that's a possibility, then
17 the Secretary's list obtains. We all understand that. What
18 is the pleasure of the Commission with respect to that?

19 M O T I O N

20 COMMISSIONER COX: I move that we adopt the rules
21 of the Defense Base Closure Commission and Realignment
22 Commission as described.

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1 COMMISSIONER STEELE: Second.

2 CHAIRMAN DIXON: Commissioner Cox moves, and
3 Commissioner Steele -- and they have both had experience in
4 the past -- seconds that motion. All in favor say aye.

5 (Chorus of ayes.)

6 CHAIRMAN DIXON: Opposed?

7 (No response.)

8 CHAIRMAN DIXON: None. The ayes have it, and
9 that's adopted. Rule 9 allows for proxy voting by
10 Commissioners. However, the Rule clearly states that proxies
11 must be given in advance. Proxies might be given in advance
12 and in writing and for a specific and limited purpose.

13 I think it's unlikely that we will need to use
14 proxy voting, but in the event that it becomes necessary, all
15 Commissioners should understand that the proxy must be for a
16 specific or limited purpose, much the same way that absentee
17 ballots are cast.

18 So in other words, we understand you don't just
19 give a general proxy, say, "Here is my proxy. Vote for me
20 today." You don't do that. It will be specific and for a
21 limited purpose. Is that understood? Are there any
22 questions or comments?

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1 (No response.)

2 CHAIRMAN DIXON: What is the pleasure of the
3 Commission?

4 M O T I O N

5 COMMISSIONER DAVIS: So move.

6 COMMISSIONER CORNELLA: Second.

7 CHAIRMAN DIXON: It's moved by Commissioner Davis,
8 seconded by Commissioner Cornella that that be the effect of
9 our rules with respect to proxies. All in favor say aye.

10 (Chorus of ayes.)

11 CHAIRMAN DIXON: Opposed, no.

12 (No response.)

13 CHAIRMAN DIXON: The ayes appear to have it. The
14 ayes do have it, and that is adopted. There is one change in
15 the law since the 1993 Commission finished its work, and that
16 is the requirement that all testimony of public hearings of
17 the Commission shall be presented under oath.

18 Of course, we've done that due to the statutory
19 changes. For the information of the Commissioners, we've
20 included a copy of the oath that we will administer to all
21 witnesses testifying before the Commission in Tab 11
22 immediately following the Rules of Procedure.

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1 If there are no questions and no further
2 discussion, I will entertain a motion that the rules of
3 procedure be adopted.

4 M O T I O N

5 COMMISSIONER ROBLES: So moved.

6 COMMISSIONER DAVIS: Second.

7 CHAIRMAN DIXON: It's moved by Commissioner Robles,
8 seconded by Commissioner Davis. All in favor say aye.

9 (Chorus of ayes.)

10 CHAIRMAN DIXON: Opposed, no.

11 (No response.)

12 CHAIRMAN DIXON: Ayes have it. That's adopted.

13 Tab 12 contains two charts on the structure of the Commission
14 staff. Have you all looked at that? The first chart
15 provides an overview of the Commission staff structure. The
16 second provides greater detail on the Review and Analysis
17 Staff.

18 All Commissioners have had a chance to meet and
19 work with the Commission staff. I think all of you will
20 agree that we have assembled an excellent staff to assist us
21 in carrying out our responsibilities.

22 I'm particularly delighted that the Review and

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1 Analysis Staff contains a number of veterans from previous
2 rounds, including the Director of Review and Analysis, Ben
3 Borden. I want to note for the record that we have fully
4 complied with all of the statutory restrictions on the makeup
5 of the staff.

6 Only 20 percent of the Review and Analysis Staff
7 are detailees from the Department of Defense, as called for
8 in the statute, and none of those individuals has been
9 involved in preparing the Department's recommendations to the
10 Commission.

11 Overall, the law allows up to one-third of the
12 entire Commission staff to be detailed from the Department of
13 Defense, but we are well below that ceiling. Only 9 people,
14 or about 12 percent of the staff, are DOD detailees.

15 In addition to our DOD detailees, we have staff
16 members detailed to the Commission from the General
17 Accounting Office, the Department of Commerce, the
18 Environmental Protection Agency and the Federal Aviation
19 Administration.

20 If there are no questions in this area, I will
21 entertain a motion that the staff structure of the Commission
22 be approved as outlined.

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M O T I O N

1
2 COMMISSIONER STEELE: So moved.

3 COMMISSIONER COX: Second.

4 CHAIRMAN DIXON: It's moved by Commissioner Steele,
5 seconded by Commissioner Cox, and all in favor will say aye.

6 (Chorus of ayes.)

7 CHAIRMAN DIXON: Opposed, no.

8 (No response.)

9 CHAIRMAN DIXON: Ayes have it, and that motion is
10 adopted. Tab 13 contains a list of 25 senior members of
11 Congress who will receive notification of all of the
12 Commission activities.

13 We are required to notify only eight members under
14 law -- the Chairman and Ranking Member of the House and
15 Senate Military Construction Appropriations Subcommittees,
16 and the Chairman and Ranking Members of the jurisdictional
17 Subcommittees on the Senate Armed Services and the House
18 National Security Committees.

19 To these eight, I suggest we add the Chairman and
20 the Ranking Member of the House and Senate Defense
21 Appropriations Subcommittees; the Chairman and Ranking Member
22 of the House and Senate Appropriations Committees; the

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1 Chairman and Ranking Member of the Senate Armed Services and
2 the House National Security Committees; and the leadership,
3 of course, in both the House and Senate.

4 If there is no objection, I will entertain a motion
5 that this Super 25 list be approved.

6 M O T I O N

7 COMMISSIONER CORNELLA: So moved.

8 COMMISSIONER DAVIS: Second.

9 CHAIRMAN DIXON: It's moved by Commissioner
10 Cornella and seconded by Commissioner Davis that that be the
11 case. All in favor say aye.

12 (Chorus of ayes.)

13 CHAIRMAN DIXON: Opposed, no.

14 (No response.)

15 CHAIRMAN DIXON: The ayes have it. That motion is
16 adopted. Finally, Tab 14 contains a schedule of Commission
17 activities over the next four months. After four days of
18 hearings this month, we currently have one day of hearings
19 scheduled on April 20th -- no, that's wrong. We're going to
20 change that.

21 I think that I'll standing corrected that the one-
22 day hearing will probably be April 17th, Monday, April 17th,

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1 instead of April 20th; two days of deliberations on May 9th
2 and 10th if we decide we want to consider adding or
3 substituting bases to the Secretary's list.

4 So for all people, take note -- two days of
5 deliberations on May 9th and 10th for add or substitute
6 bases, four days of hearings, from June 12th through the
7 15th, some of which will be to hear from the affected
8 congressional delegations; and then our final deliberations
9 June 21st through June 27th.

10 Is there any objection to that?

11 (No response.)

12 CHAIRMAN DIXON: The most important point about
13 this schedule is that it is not complete. We may need to add
14 additional hearings on specific topics, and it does not show
15 the schedule for base visits and regional hearings, which
16 will begin in late March and continue through April and into
17 early May.

18 Now that we have the Secretary's recommendations,
19 the staff will consult with all of the Commissioners and will
20 draw up a recommended schedule of base visits and regional
21 hearings for our consideration after our hearings next week.

22 Let may say for those communities potentially

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1 affected by the Secretary's recommendations that we will
2 publish the list of regional hearings as soon as it is
3 completed. We will also notify individual bases of proposed
4 dates for Commission visits as soon as possible.

5 If there are no further items of business to come
6 before the Commission this afternoon, the Commission will
7 adjourn until 9:00 a.m. tomorrow, Tuesday, March 7th, at
8 which time we will meet in Room 106 of the Dirksen Senate
9 Office Building to receive testimony from the Secretary of
10 the Army.

11 Is there any further business to come before the
12 Commission today?

13 (No response.)

14 CHAIRMAN DIXON: We are adjourned until 9:00 a.m.
15 tomorrow, 106 Dirksen.

16 (Whereupon, at 4:45 p.m., the meeting was
17 adjourned.)

18 * * * * *

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