

**BRAC Commission Regional Hearing Testimony
 Naval Support Activity New Orleans
 07.22.05**

**Mary L. Landrieu
 U.S. Senator, Louisiana**

On behalf of the State of Louisiana, I would like to welcome Commissioners Turner, Hall, and Coyle to New Orleans. I also want to thank General Turner for visiting New Orleans last month to personally inspect some of our installations. I know that Congress and the President have entrusted you with an important task, and I praise all of you for discharging your duties in such a professional manner.

I also want to thank Governor Blanco, Senator Vitter, Representative Jefferson, Representative Jindal, Mayor Nagin, Mayor Morris, and General Mize for being here today. Over the last year, the leadership of Louisiana has been completely united behind our military communities. This past March, we had the opportunity to visit all four of our major military installations. The trip reinforced just how important our bases are to Louisiana and the nation, and I know that you will realize that today.

And lastly, I want to thank the members of the community who have joined us here today. I think you can see that the military is intertwined in the fabric of Louisiana, and the loss of any of our military installations would have a profound affect on the community.

Louisiana has a long tradition supporting our military. This support comes in three forms:

- **Louisianians have always answered the call to serve**
 We currently have thousands of Guardsmen and Reservists fighting in Iraq, and we continue to honor their service and sacrifice.
- **Louisiana is host to a number of vital military installations**
 Nearly 40,000 servicemen and women are stationed in Louisiana, and countless others choose to retire here after their tours of duty are complete.
- **We have supplied our armed forces with the tools of war for several generations**
 Louisiana workers built the Higgins Boats that gave us victory on D-Day and they continue that tradition by building Naval ships at Avondale and Armored Security vehicles in New Orleans and Slidell.

Major General David Mize USMC (Ret.) ★ Office: (504) 304-2460 ★ Mobile: (504) 701-8844

But we are not here to talk about our history – we should not keep bases open because they are old and venerable. We are here to talk about the future, and how Louisiana plays a critical role in defending our homeland and projecting forces overseas.

The Secretary of Defense has slated two major Louisiana installations for closure. The first is the Algiers Naval Base in New Orleans and the second is the Defense Information Systems Agency in Slidell. You will hear testimony today that affirms the importance of these two installations to our nation's defense. You will also be presented with compelling evidence that these two installations can be some of the most efficient operations within the Department of Defense.

FEDERAL CITY

As one of America's largest ports, the Navy has had a presence in New Orleans since the Louisiana Purchase. As the story goes, President Teddy Roosevelt personally chose the location of the Naval Support Activity in Algiers. Well before the BRAC process was set in motion, community leaders in New Orleans had spent a lot of time thinking about how the Naval Station could operate more efficiently. The result of these efforts is the Federal City plan that will consolidate the base onto one bank of the Mississippi River and provide the military with a new headquarters building financed by the state of Louisiana. The Federal City concept would allow the Marine Corps, Army, and Coast Guard to consolidate their operations into one secure facility, and could host other federal installations, such as a regional Homeland Security Headquarters. Retired Marine General Dave Mize has been the leader on this project and I want to praise him for all of his efforts on behalf of the city. He will deliver a much more detailed presentation later.

DISA-SLIDELL

As I mentioned before, Louisiana has always been a leader in supplying our fighting men and women overseas. This still remains true in the information age, where we supply the military with the armaments of war, as well as information technology. The Defense Information Systems Agency facility in Slidell tests and develops IT products for DOD. The recommendation is for this facility to consolidate with others at Ft. Meade Maryland. We believe that this decision did not evaluate all of the pertinent information, and that consolidation would cost DOD more in the long term. Mayor Ben Morris of Slidell has served his community well in this process, and he will deliver a more detailed presentation to you today.

We all believe, and the testimony you will hear today will show, that the decisions that the Department of Defense made with respect to these two installations were flawed. We all know that economics is the driving factor behind BRAC and that it is important that the federal government cut out wasteful or inefficient spending. You will find that the DISA Slidell facility is one of the least expensive activities of its kind for DOD to operate. Under the Federal City plan, the same could be said for the Algiers Naval Support Activity.

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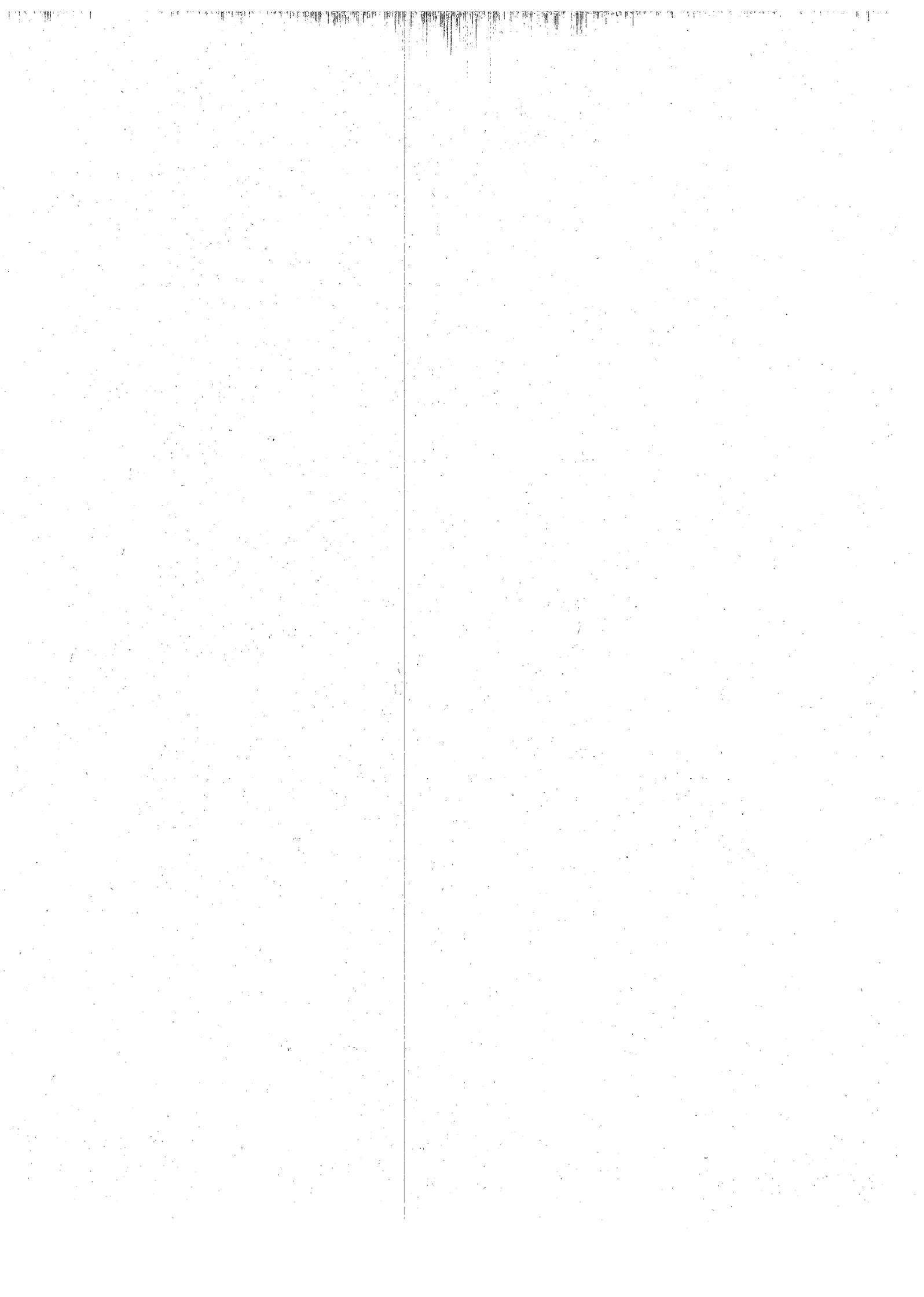
Major General David Mize USMC (Ret.) ★ Office: (504) 304-2460 ★ Mobile: (504) 701-8844

No one questions Louisiana's proud military traditions, our distinguished history, or our steadfast support of the nation's defense through the generations. But we want you to leave here today knowing that our facilities can defend this nation at the lowest possible cost to the taxpayer.

Once again, thank you so much for taking the time to listen to us today. I would like to now turn things over to our Governor, Kathleen Blanco.mil

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**Kathleen Babineaux Blanco
Governor, State of Louisiana**

Thank you Mr. Chairman and Commissioners.

First, I want to welcome you to New Orleans. On behalf of the people of Louisiana, I'm grateful that you're taking the time to learn more about the importance of our military resources, our citizens' commitment to the military, and the vital role of these Louisiana-based assets in our nation's defense.

Louisiana has long been important to our nation's defense and security...and we are committed to continuing our service to America.

Thomas Jefferson wanted his young nation to control the strategically located city New Orleans – and thus commerce on the Mississippi. And that led to the Louisiana Purchase. Today, two hundred years later, Louisiana and New Orleans are even more important to America's economy...and security.

A significant portion of America's oil and gas is produced here and off our shores, is refined in our plants and is shipped through our pipelines. The Louisiana portion of the Mississippi River is one of the busiest waterways in the world and home to four of America's ten busiest ports. The Port of South Louisiana alone is the third-busiest port in the world.

Much of this nation's capacity to refine oil and manufacture chemicals resides on the banks of the Mississippi here in Louisiana. These energy and industrial assets are vital to America and – especially in these troubled times – need military protection.

Louisiana understands the need for the national defense and we have been enthusiastic supporters of military presence here. We've long supported the contributions to America's defense made by Barksdale Air Force base, Fort Polk and other Louisiana installations.

In Louisiana, we do more than talk about a strong U.S. military, we work on a strong U.S. military. On a per-capita basis, we have contributed more of our sons and daughters to the current war effort than any other state. Right now, our National Guard troops are distinguishing themselves – and their nation – in the war to protect the young democracy in Iraq.

We're also investing in America's defense right here in Louisiana. Earlier this year, the Army transferred the old Minden Ammunition to the state.

Louisiana is making a significant investment in that site. The Louisiana National Guard is transforming it into a premier training site to ready our fighting forces for the new and shifting challenges they face across the world. This transfer is just one small part of Louisiana's contribution to our nation's military efforts. We also have a legacy of making financial commitments to the military here in Louisiana. That is a legacy that continues to this day. A legacy we are willing to expand.

In January, I approved a \$65 million bond issue that will build affordable housing for military personnel serving at Fort Polk, Barksdale and in New Orleans. Well before the current round of base closures began, the state and the city began investing in the Federal City project in New Orleans. We have committed \$750,000 over the last few years. Upon completion, this State-funded "state-of-the-art" facility will be home to a number of national security agencies. This plan would save \$230 million more than the expected BRAC savings and do so at least 18 months sooner.

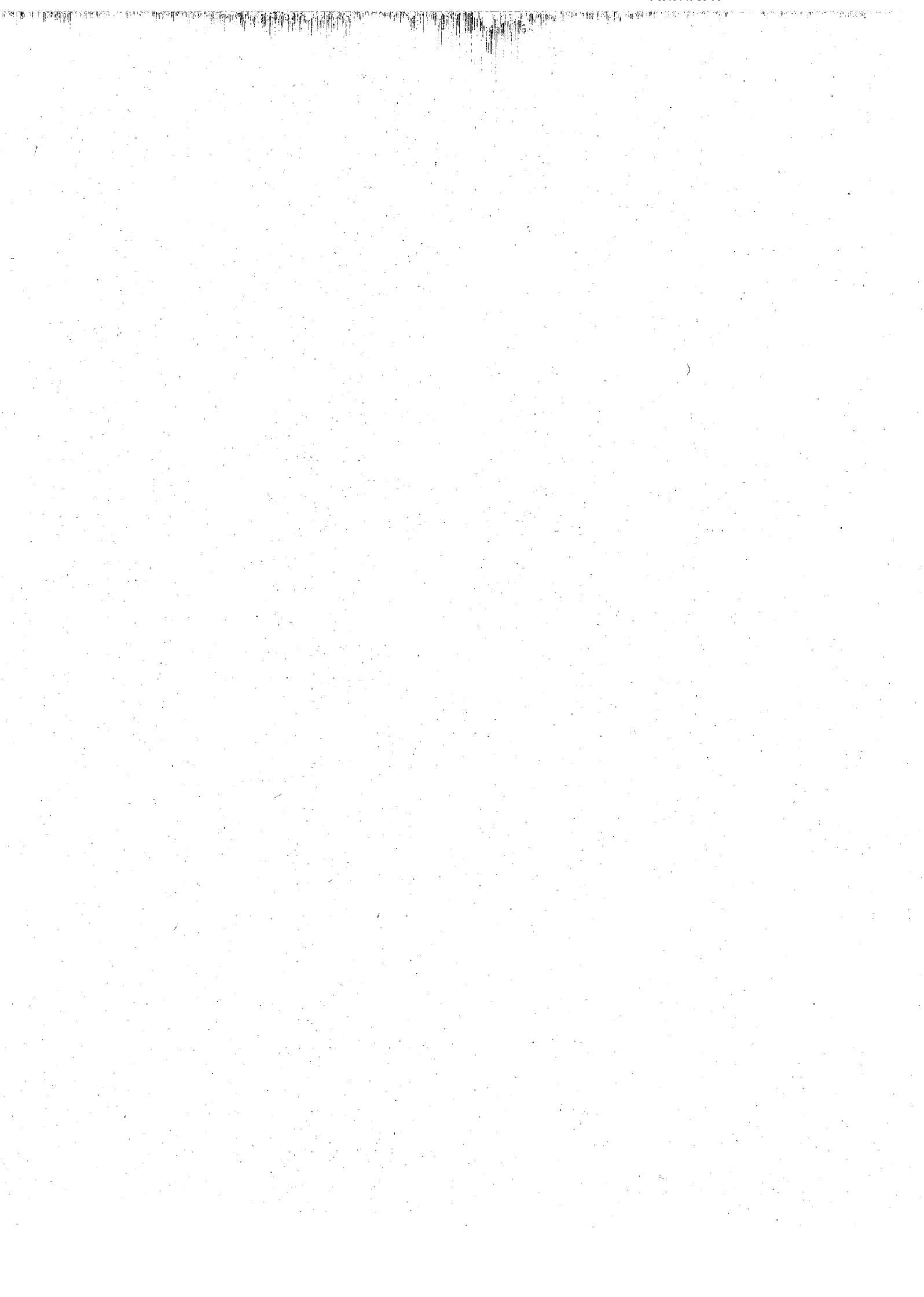
The Legislature and I have guaranteed funding for the Federal City project. Along with the City of New Orleans, we have committed \$50 million to \$100 million for this project. That means a "move-in-ready" facility will be built at no cost to the federal government. The joint nature of Federal City also means that participating agencies can share operating costs, including administrative functions, energy bills, and force protection.

Louisiana's commitment to maintaining a military presence in New Orleans plan has already produced a number of benefits, including a state-funded academy on the Naval Air Station/Joint Reserve Base New Orleans, infrastructure improvements at Belle Chasse, and the construction of Space and Naval Warfare Systems Command Headquarters at University of New Orleans. Potential tenants include the Marines, Navy, Army, Coast Guard, and the Department of Homeland Security. This innovative project will allow each of these agencies to plan and train jointly at one of the critical points in our nation's economy and defense – the lower Mississippi River.

Louisiana stands by ready to continue our legacy of supporting the national defense.

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**David Vitter
U. S. Senator, State of Louisiana**

I would like to thank the members of the BRAC Commission for their visit today and for the opportunity to testify on the merits of Louisiana's bases. It is my strong belief that both the Naval Support Activity (NSA) and DISA Slidell will play an important role in the future for the Department of Defense.

I think that both Governor Blanco and Senator Landrieu fully described the crucial role Louisiana plays in the nation's defense, security, and economy as well as the proud history of military support and involvement; points that are also clearly illustrated by turnout from the citizens here in the audience today.

But I do want to be clear about the purpose of today's hearing. Our support for both of these bases is not just an emotional plea; we, as a bipartisan group, believe that the Department of Defense's decision to list NSA and DISA on the recommended closure list was based on flawed data. At the end of today, I have no doubt in my mind that you will see the role the flawed data, which was based on incorrect facts, played in the Department of Defense's closure recommendation.

The Department of Defense 2005 BRAC report used a dramatic expectation of savings for NSA and DISA Slidell. As you will hear from both Major General Mize, Head of the Mayor of New Orleans Military Advisory Board, and Mayor Ben Morris of Slidell, our analysis of the same report will concretely illustrate those savings to be grossly over-inflated.

In addition to this miscalculation on savings, the DoD's 2005 BRAC report for NSA does not take into consideration the City of New Orleans' "Federal City" proposal. It is important to note that this concept was put into motion long before DOD's 2005 BRAC announcement with the idea in mind to greatly improve the effectiveness and efficiency of basing for military operations – it was not a knee jerk reaction to save the base in light of the BRAC announcement. To date the city, state, and local communities have spent nearly \$750,000 to further the federal city concept, and we are excited about its potential.

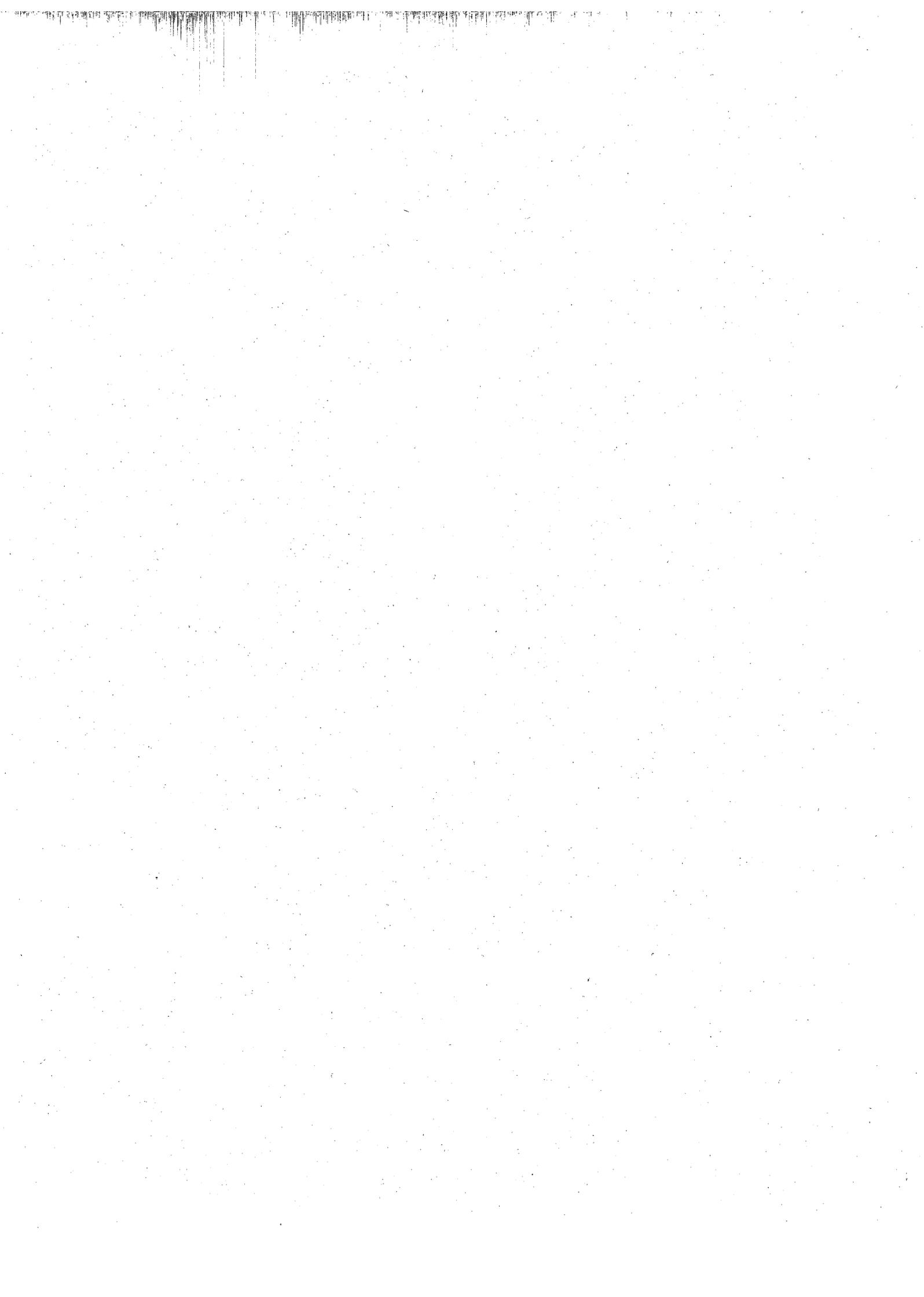
As Governor Blanco has already confirmed, the state has committed between \$50 and \$100 million in addition to general obligation bond funding to cover the gap between lease payments

and total cost development to make this concept a reality for everyone. If that didn't make this offer attractive enough, we estimate that Federal City would save \$230 million more than the expected BRAC savings and do so at least 18 months quicker. With an option on the table that will result in improved cost saving and increased mission efficiency, we believe the BRAC Commission owes it to all US citizens and taxpayers to allow the project to proceed. Please distinguish that we are not asking you to remove NSA from the BRAC list altogether, but rather consider it a realignment versus a closure.

Again, I would like to thank all the members of the Commission for holding this important hearing and for the service they are performing to ensure the safety of our nation. I am confident that after today's presentation you will fully understand the benefits of both NSA and DISA Slidell to the Department of Defense's future force structure and the errors made in the 2005 DOD BRAC recommendation. As you can see from the panel of witnesses today and the audience support, we stand united in support of Louisiana's bases.

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**William J. Jefferson
U.S. House of Representatives
2nd District, Louisiana**

I join my fellow state, local and Congressional colleagues in addressing the Commission today to urge full reconsideration of the proposed recommendation to include Naval Support Activity New Orleans (NSA) on the preliminary list of base closures, and instead realign the tenant commands under the proposed Federal City concept. This recommendation would not only prove beneficial to the Navy and Marine Corps, but would also maintain the long-standing and vibrant partnership between the New Orleans community and NSA. As recently as this past weekend, the Navy Air Logistics Command, headquartered at NSA, participated in the Habitat for Humanity program. Previously, service members from NSA have also actively supported the American Cancer Society's Relay For Life event, as well as numerous breast cancer research events. Local schools have also benefited from the generosity of the service members in the community. According to the New Orleans *Times-Picayune* (Paul Purpura, *Times-Picayune* pg. A1, June 18, 2005), Navy and Marine personnel have also aided students at William Fischer Elementary School with their academics, even accompanying them to school functions when parents were not available to do so. Sailors also helped to install wiring in the schools on their own time so that the students could enjoy air conditioning while in class. Continuing actions like these highlight the long-standing mutual friendship, goodwill, and support between the people of New Orleans and the servicemen and women of NSA who have worked and lived in the City for years.

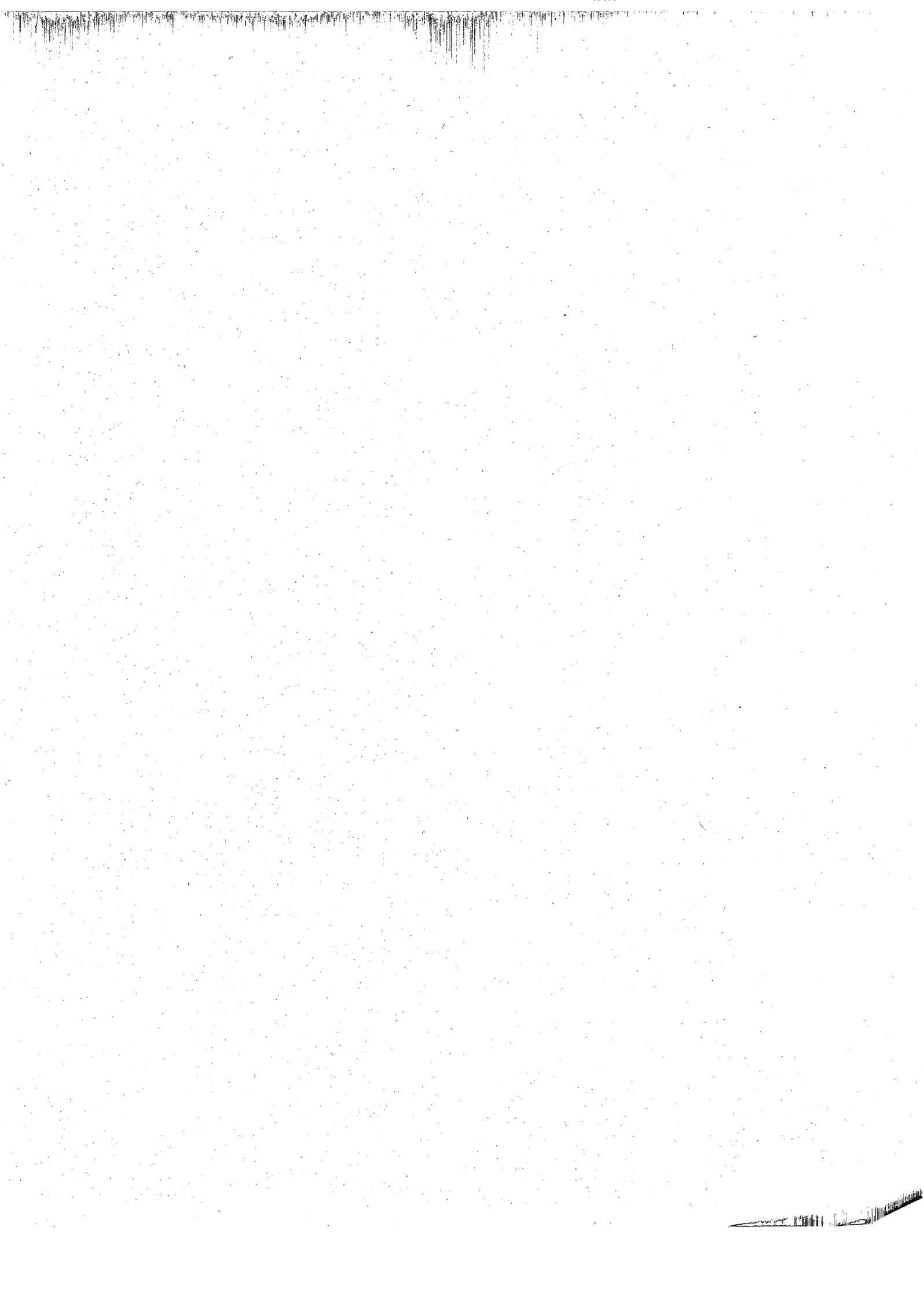
New Orleans' strategic location on the Mississippi River has led to a long and storied past with the United States Navy. The site on which NSA Algiers stands was purchased by the U.S. Government in 1849, but was not utilized for military purposes until the turn of the 20th Century, when the Navy built a dry dock facility. Some of the original buildings that were constructed in 1903 are still in use today. Over the following decades, the site and its facilities were used for a number of purposes ranging from a repair and maintenance depot to a personnel station. The base has proved to be effective in all of these roles and continues to be so in its present duty. On the East Bank of the Mississippi River, the three large buildings that currently house the majority of NSA's occupants once served as a depot for the Army during World War I. The Army maintained control of the site until 1966, when it was turned over to the Navy, thereby creating the Naval Support Activity we know today that straddles both sides of the river.

Currently, there are approximately 4,600 military and civilian workers operating at NSA. Under the Department of Defense's recommendations, over 2,600 military and civilian jobs will be lost from the New Orleans area if NSA is closed and its occupants are realigned elsewhere in the country. While every job in the community is inherently valuable, the loss of Navy and Marine personnel would have a particularly detrimental effect on the economy of our area. Over 200 homes occupied by military families would suddenly become vacant, flooding the housing market in the Algiers neighborhood. The surrounding areas in both Algiers and Bywater rely on the presence of the military as a stable anchor. Local businesses that serve the needs of the occupants of the base would abruptly lose reliable customers. Taken together, these results would constitute a critical blow to the fragile New Orleans economy.

The proposed Federal City project presents a unique opportunity for the Department of Defense (DoD) to take advantage of state-of-the-art facilities that would replace current facilities at Algiers, at no federal cost. Louisiana stands ready to develop the facilities at Federal City and allow the Department of Defense to utilize its numerous benefits for well-below-market costs. Consolidation of the military facilities in New Orleans onto one site would immediately yield huge savings to the DoD in security, maintenance, and utility expenses, all of which would be centralized. In the longer term, Federal City will incorporate forces from the Navy, Army, Marine Corps, Coast Guard, and potentially the Homeland Security department, thereby becoming a valuable joint facility that will greatly increase cooperation between the services. The state of Louisiana has already spent over \$750,000 so far funding the establishment of Federal City, and it is committed to do much more. With our continued effort, we feel that the Navy and the Marine Corps would have a bright and successful future in New Orleans, and maintain their beneficial association with the neighborhoods and people of New Orleans.

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**C. Ray Nagin
Mayor, City of New Orleans**

Commissioners, welcome to New Orleans and thank you for the opportunity to testify today on behalf of the Naval Support Activity New Orleans.

I am Mayor C. Ray Nagin, and I am here to encourage you to take a closer look at the Department of Defense's rationale for closing the base and our plan for an alternative.

Well before the 2005 BRAC process, we were locally working on a concept we call the "Federal City" plan. Most of our speakers have mentioned this plan because this effort has been widely supported by Louisiana's leaders at all levels of government. We are proud that we have produced a plan that "out-BRAC's" the DoD BRAC plan for the Naval Support Activity.

When you consider the objectives of the base realignment and closure effort, Federal City achieves all of these same goals more effectively. It is more transformational, more joint, more efficient, closes unneeded facilities, and saves a lot more money than the DoD recommended plan. And our savings are real, actual dollars that the Department of Defense will be able to use for new priorities.

I would like you to take a closer look at the numbers and criteria used to justify closing our base. From what I've seen, the numbers just don't add up. The DoD analysis overstates within specific areas:

- For personnel costs, the numbers of employed civilians was minimized.
- The recapitalization budget was based on inflated expectations.
- The local economic impact ignored important recent factors and minimized the blow to our community.

In addition to employing more than 3,000 regular and drilling reserve military personnel, NSA also hires more than 800 full time contract workers. These are good jobs that our community will lose if NSA closes. That is a loss that New Orleans cannot afford and one that was not considered in the analysis.

Please remember that in terms of military value – supposedly the most important category in the 2005 BRAC Analysis – the Department of Defense ranked NSA in the top 15% of all bases that provide headquarters functions.

As you perform your own analysis, please consider that the Greater New Orleans community and the State of Louisiana have created a compelling alternative to base closure with our Federal City plan. As you review the plan, you'll see that it will save the federal government \$230 million more than the actual recalculated savings from the DoD recommendation to close NSA New Orleans. I believe this is one of those few projects that is truly a win-win proposal. In fact, it creates a new model for national security, and it makes good economic sense for the federal government and the City of New Orleans.

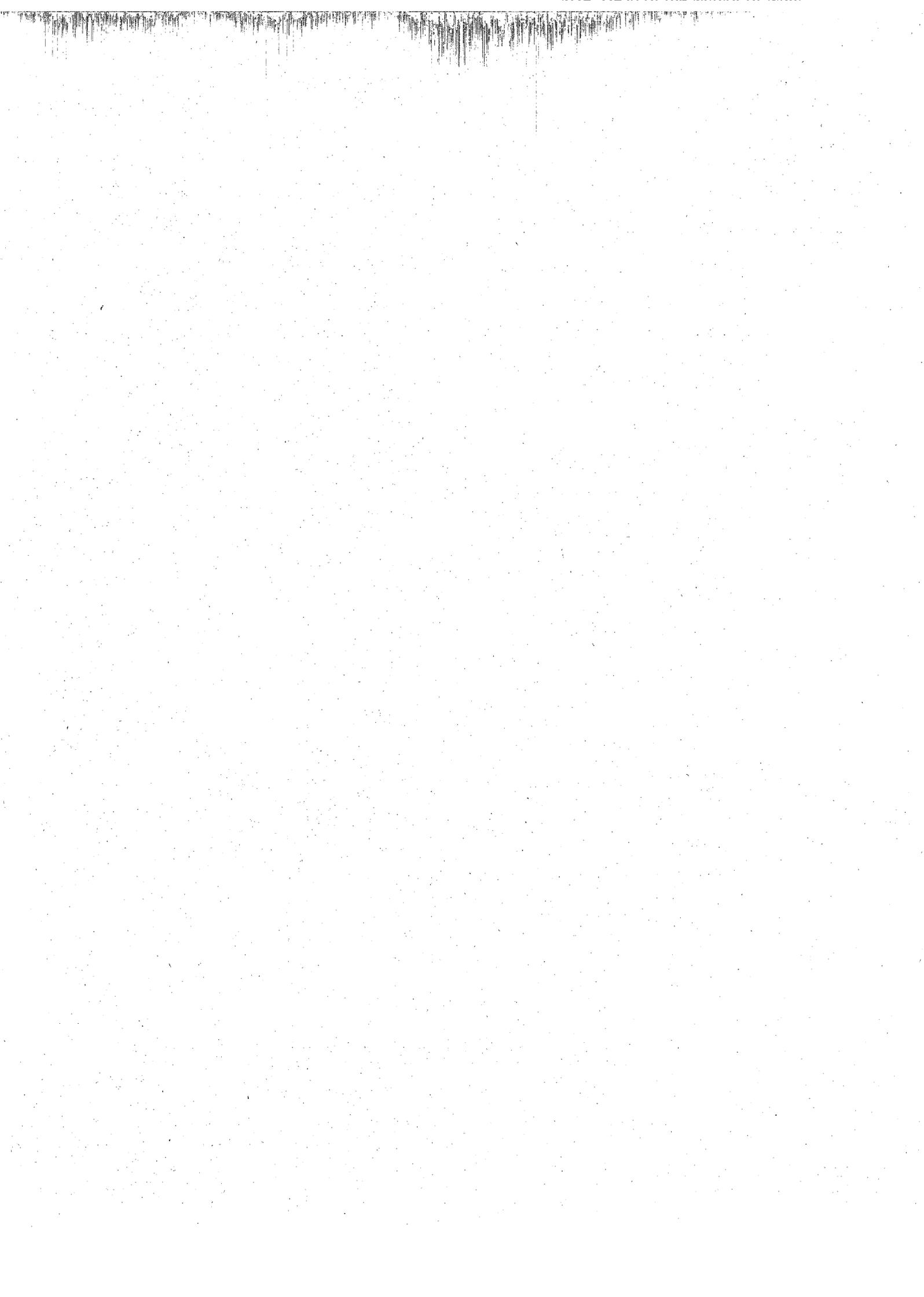
Not all great ideas come from Washington. We ask that you help the big bureaucracy in Washington apply some good common sense and adapt a program that is better for the country, better for the DoD, and better for Louisiana.

In closing, I urge you to consider the impact that closing the NSA New Orleans would have on our entire nation. I encourage you to give the Federal City plan the full attention that it deserves.

Thank you for your time and interest.

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**Major General David Mize USMC (Ret.)
Chairman, Mayor's Military Advisory Committee
Former Commander, Marine Forces Reserve**

Commissioners, I am honored to appear before you as a representative of the wonderful New Orleans community. My name is Major General David Mize USMC Retired and I am a Senior Vice President at Apogen Technologies, an IT services company, as well as the volunteer Chairman of the New Orleans Mayor's Military Advisory Committee. I have served as Commander of the Marine Corps Reserve at Naval Support Activity (NSA) New Orleans from 1998-2001, and so have extensive first-hand knowledge of the military installations here in New Orleans.

Since my retirement from the military and my return to New Orleans in December 2003, I have been actively working to improve the installations and quality of life for the military in our region through the Mayor's committee. This organization is entirely made up of volunteers.

I would also like to make it clear to the Commission that after being in uniform for 38 and a half years, if I did not believe our proposal was in the best interest of national security, the military services, and the community then I would not be standing before you today.

I think it is also clear by the remarkable support we have here in the audience today that this entire community is united in support behind this proposal. I have had the opportunity to closely observe the New Orleans region for the past nine years and I have never seen an issue that so united the state, the region, and the City. The retention of our base is a singular passion shared by all. And while the Commission will certainly not base its decision on emotion and our presentation is deeply rooted in facts and savings; I want you to be aware that no other community can claim a greater patriotic spirit that translates into strong support of the military in our region.

BACKGROUND

To make a well-informed decision on the bases in the New Orleans area it's important to understand the region's geography. On this map you can see that New Orleans is situated on the south shore of Lake Pontchartrain. The area north of lake is home to approximately half of our military personnel because of the relatively inexpensive cost of housing and the quality of

public schools in that parish...arguably the best in the state. The area south and east of New Orleans has some of the best fishing in the world, but it is very lightly populated.

This second map gives you a closer look at New Orleans, in particular the relative distance between NSA New Orleans and NAS/JRB New Orleans, the Diamond Reserve Center and the Space and Naval Warfare Systems Center New Orleans.

Finally, this map demonstrates the unique position of NSA New Orleans as it straddles the Mississippi River and takes the form of two campuses. This is important as we discuss cost savings and consolidation or realignment versus closure later in the briefing. You can also see the proximity of NSA to business, recreational, educational, and transportation infrastructure.

It is also worth reviewing the original DOD BRAC recommendations for NSA New Orleans so we have a solid point of reference for this briefing. The major tenants of NSA have been slated for relocation and the installation has been recommended for closure. The specific recommendations include:

- Naval Forces Reserve Headquarters to NSA Norfolk
- Naval Reserve personnel commands to NSA Mid-South (Millington)
- Eighth Marine Corps Recruiting District Hqs to JRB Ft. Worth
- MarForRes and Mobilization Command (from Kansas City) to Belle Chasse

Also, for this last point, notice the distance between Belle Chasse and NSA New Orleans and the proximity of each to necessary transportation, housing and recreational amenities.

Now that you have a better understanding of our geographic position and our situation relative to BRAC, let me begin by outlining a few themes that will be consistent throughout our briefing and will form the basis for our assertion that BRAC should change the DoD recommendation.

One. The Department of Defense ranked NSA within the top 15% of all headquarters and administrative bases based on military value. Since this is the most important criterion in determining which bases should be retained, that ranking should carry a lot of weight.

Two. There are flaws in the DOD analysis that directly lead to greatly overstated savings assessments as a result of closing NSA New Orleans. Our analysis shows that the actual 20 year cost savings of the DOD recommendation readjusted in light of these flaws is \$10-20 million. In an effort to be conservative, we have used the \$20 million figure throughout this briefing, which would mean that DOD is actually saving \$256 million less than expected. If properly considered, this updated information would eliminate the given rationale for closing NSA.

Three. There exists a pre-BRAC community-local military partnership that has been working to create a truly transformational opportunity at NSA New Orleans. This initiative would save more than \$230 million over the newly readjusted numbers for the DOD recommended BRAC solution.

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Let me discuss each of these points more specifically:

MILITARY VALUE AND CLOSURE RATIONALE

As we consider military value and its importance to the BRAC process, I would like to point out this quote from Secretary Rumsfeld's prepared remarks to this Commission in May of this year: "As required by law, the primary factor in each BRAC decision has been an assessment of an installation's underlying military value."

DOD gathered mountains of data and did some exhaustive analysis to rank, according to military value, all the bases in the DOD inventory that provided headquarters and administrative functions. The outcome of this effort was that NSA New Orleans was ranked ahead of 296 other such installations in the DOD inventory (41 of 337). With a top 15% ranking and the legal weight of military value being considered the most important criteria, there must be some other overriding or highly compelling justifications for recommending closure of the base. What were these justifications?

Within the published justification for closing NSA, the bulk of the Navy personnel are moved to NSA Norfolk. There are two reasons given for this move. The first is an end strength reduction that reduces redundancies and cuts budget. When you compare the total number of billets reduced by this move (253) to the total number of personnel and contractors that will be relocated (over 4,000), it is obvious that the justification does not hold water. Especially when you consider that at best only 60 of those 253 billets would be actual personnel eliminations. How is it possible to justify a total moving cost of \$193 million for an end strength reduction of 1.5%? If personnel reductions or efficiencies are the goal, any organization, if required, should be able to trim 5% of its workforce on site without having to move 4,000 people and spend \$193 million.

The second rationale for relocating the Navy personnel from NSA New Orleans was to collocate active duty and reserve forces in Norfolk. Not only does this fly in the face of military value since Norfolk ranked 36 places behind New Orleans, but the other services, which are much more dependent on their reserve components than the Navy, have seen no need to collocate their reserve and active duty headquarters. The Navy's need to do this also runs counter to their philosophic emphasis on net-centric warfare where the benefits and savings of collaboration can be realized without the need for shared physical space. The Department of the Navy is spending a great amount of money on the Navy Marine Corps Internet system to allow seamless coordination and collaboration from geographically separate locations. This relocation also steps away from the Navy's stated goal of jointness by breaking up the interoperability at NSA New Orleans with the Marine Corps Reserve. The Navy Reserve provides a great number of chaplains, corpsmen, doctors, dentists and dental techs to the Marine Corps Reserve. Also all aviation funding for the Marine Corps Reserve is funneled through the Naval Reserves. There is a price to be paid for separating the two interdependent Reserve Headquarters. Maybe this move supports some internal Navy service plans, but it does not seem to support BRAC criteria.

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Even worse, the given rationale for moving the Marine Forces Reserve from NSA New Orleans is not strong enough to even be called weak. Again, two separate justifications are provided. The first is that relocation of MarForRes to Belle Chasse will enhance joint service interoperability. And again, this move actually reduces interoperability. Belle Chasse is a great installation, but the 3 Star MarForRes headquarters will have no operational interaction with the 0-5 and 0-6 level commands (mainly aviation) from the National Guard, Navy, Coast Guard, and Army Reserve. Their existing location is a joint smorgasbord of 48 different tenants and provides operational interoperability with NavResFor.

The second justification is that relocation will allow MarForRes to be centrally located at Belle Chasse. In looking at the location of Belle Chasse and NSA New Orleans on a map of the United States, it's obvious that the distance between the two is insignificant. In fact, when considering their location within Southeast Louisiana, NSA New Orleans allows MarForRes to be much closer to the region's commercial airport – a significant factor because the command relies heavily upon commercial air travel.

So if the justification for moving both NavResFor and MarForRes from NSA New Orleans is weak – or, in some cases, non-existent – then how can you justify closing the base? Especially when you consider that the only reason given for shuttering the base is because its two primary tenants have been relocated. If NSA New Orleans is a highly rated base for military value, and the justification for moving the Navy is weak while the rationale for the Marines is non-existent, then the **base closure logic is flawed** and proper application of BRAC criteria would dictate that NSA New Orleans be retained.

2005 BRAC REPORT DATA REVIEW

Our examination of the BRAC Report data found more faulty logic and analytical flaws that caused a significant overstatement of cost savings attributed to the closure of NSA New Orleans.

The first of these omissions we will review is the large number of full time contractor personnel who work at NSA but were not included in the DOD BRAC analysis. In the January 2004 annual report delivered to the community, NSA listed 1,513 full time civilian workers employed at the base. NSA did not issue an updated report in 2005 because of stated DOD policy, so we are forced to use this number as a baseline. The consensus is that there have been no really large changes in the number of civilians employed at NSA. How then do we account for the 650 civilian workers listed in the BRAC data? When questioned, DOD said it only counted civil service workers because contractors would have to be hired at either NSA New Orleans or a new receiving base – meaning they were “a wash” and did not need to be counted. We believe this is both disingenuous and inaccurate. First, the expected regional economic impact does not include these missing 863 contractors so actual job loss is closer to 2,000 versus 1,200. Also, since NavForRes is undoubtedly in the middle of some long-term contracts with these contractors, they are ignoring potential moving or settlement costs. Finally, to say that contractor costs are the same everywhere is simply not true. The Bureau of Labor Statistics show that in the Norfolk/Virginia Beach area, wages average 5.7% more than New Orleans. This number rises to 6.3% in Millington. Overall, those 863 contractors will cost the Navy an additional \$4 million

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annually in salary. By ignoring them in their analysis, DOD is not counting some dramatic annual cost increases at the receiving bases.

The DOD also takes credit for the reduction of 253 personnel by closing NSA New Orleans. The COBRA data tells us that this reduction will result in an annual net cost savings of \$21 million which is most of the recurring annual savings that come from the closure of NSA New Orleans. Given the fact, however, that you are dealing with over 3,000 full time positions at NSA, it intuitively seems like all the moving costs and dislocation traumas involved in the closure of NSA New Orleans would hardly be worth the less than 5% billet reduction. But even worse is the fact that **these billet reductions do not result in cost savings for DOD.**

The Navy has already taken a transformational personnel savings of 35,000 people as part of its Navy Future Years Defense Plan that was independent of BRAC. So whether NSA remains open or closes or whether the Navy units remain in New Orleans or move to Norfolk, the Navy will still cut 35,000 active duty sailors. The money to pay those sailors has already been taken out of the DOD budget. So while BRAC can claim some credit by helping the Navy achieve its reduction (by 253 people), it cannot claim that the closure of NSA is going to further reduce the DOD budget. That means at a minimum annual savings of \$17.9 million (this assumes that the 60 civilians in the 253 people savings might actually be cut and money from their billet elimination might really be saved) are nonexistent, and without any other adjustments the expected DOD annual savings of \$36.5 million is actually closer to \$15.5 million. This adjustment will result in a much longer payback period to cover moving costs. It is increasingly hard to understand how a recommendation to close NSA New Orleans can be supported.

The DOD also takes further phantom savings in the Recap or recapitalization data in O&M funds. Beginning in 2006, DOD claims a recurring \$3.5 million savings. They suggest that this amount is actually spent every year at NSA and now can be eliminated. Again, this is simply not true. In my three years at the base, this level of spending was never available to the base commander. And since 2001 that situation has gotten even tighter as money was "swept up" into the war fighting effort in Afghanistan and Iraq. So the DOD report is claiming savings that do not exist because this money was never spent in those quantities and cannot now be legitimately claimed. Conservatively over the 2006-2011 period, Recap savings are overstated in the implementation period by \$15 million and then again annually by another \$2.5 million.

The DoD recommendation also overlooked an important base closure issue in its existing Public-Private Venture (PPV) housing contract. Personnel housing at both NSA New Orleans and NAS/JRB New Orleans is governed by a single PPV 50-year agreement that includes 726 houses at Belle Chasse and 220 homes at NSA.

The issue of Government liability to the PPV was not considered. Unlike some other PPV agreements, according to the private partner, the Department of the Navy retains liability to the partnership Bondholders if NSA New Orleans closes. The housing at NSA New Orleans represents a potential \$9-11 million liability for the Department of Navy (DON) as a buyout amount to the private owner of these homes. This amount is not included as a closing cost in the DOD closure calculations. As a point of substantiation, when the Navy closed Staten Island

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they were legally ordered to pay a \$125 settlement to the operator of 800 housing units at that installation.

There is also no plan to deal with the senior officer housing at NSA. There is currently no flag or O-6 housing at Belle Chasse. Five flag quarters at NSA, which each have recently undergone very expensive renovations (including one home on the historic register,) will be lost. We also believe that the economic impact on the New Orleans area was significantly understated in the DOD analysis. The types of communities that fare well after base closure are those that can attract new businesses and industries. For a number of reasons and despite a tremendous effort, New Orleans is not attracting those businesses. Over the last five years job growth in the region has remained flat. In fact, additional jobs are under threat of elimination or significant reduction. With the scheduled termination of the Space Shuttle program, the large NASA Michoud facility, which makes Shuttle fuel tanks and employs 2,000 people, has no firm future prospects. Additionally, the reduction of LDP-17 orders from 12 to 9 threatens another 3,500 jobs.

And in addition to the 863 contractors employed by the base but not counted by DOD, there are 940 drilling reservists and a large number of Marines and Navy Reserves on active duty at any given moment. That means that every day there are likely more than 1,000 individuals working at NSA New Orleans who are not counted by DOD. These 1,000 jobs must be considered a loss to the local economy; meaning that combined with DOD expected job losses and the other potential federal job reductions, more than 8,000 total jobs are at risk in New Orleans. Because DOD methodology only considers economic data prior to 2002, this impact is totally ignored by the report.

Some of the advantages of NSA were hard to capture in the DOD BRAC analysis framework. At NSA, military and civilian personnel enjoy tremendous quality of life advantages that cannot be replicated at other regional bases. These include reasonable proximity to desirable and affordable housing in Algiers, New Orleans, and on the North Shore. This proximity results in shorter commute times and better access to the educational opportunities in those areas. These institutions of higher learning range from the state's best public schools in St. Tammany Parish to local two-year colleges and internationally renowned Tulane University. NSA also has the only senior officer government housing in the area and there are no plans to build additional O-6 government housing in the region if the base closes. And importantly, Louis Armstrong International Airport is only 25 minutes away from NSA.

The proximity of NSA to downtown New Orleans also facilitates interaction with area elected and business leaders. In fact, during my three years living at NSA, I hosted 2,800 military and civilian leaders at my quarters for social events. That level of interaction would never have been possible if NSA's location had not been so convenient for local leaders. This same proximity also makes it much easier for junior and senior personnel to access business and recreational sites in the area.

So what's the bottom line from our evaluation of the BRAC report? DOD has reported that NSA New Orleans was a highly rated base in military value rankings, the most important determinant of base retention decisions. The relocation justifications for moving NSA's primary tenants are

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very weak. Additionally, the net cost savings claimed by DOD as a result of closing NSA are grossly overstated by more than \$230 million. We believe that an objective look at the DOD BRAC Report could only lead one to conclude that **their analysis is flawed and does not support closure of NSA New Orleans.**

FEDERAL CITY

That conclusion leads us to Federal City, a pre-BRAC State guaranteed model of transformation for the Department of Defense that will save an additional \$230 million over the actual readjusted cost of the DOD's recommendation. But let me provide some context first.

The New Orleans community understands that change must occur within DOD. We support the BRAC goals of making the U.S. military more transformational, more effectively joint, and much more efficient. Over the last eight years we have been engaged in a community-military master development plan – of which we have completed two thirds. We have been eagerly anticipating the crowning jewel – the rebuilding of West Bank NSA New Orleans facility as a Federal City. Had the BRAC process not disrupted the process, we would be close to beginning construction. In fact, the state has already spent over \$750,000 on this project. This is particularly frustrating because Federal City is more transformational, is more joint, and obviously saves much more money than the DOD proposed BRAC solution.

All of this is possible because of the long history of cooperation that has occurred between the community and the military. The local and state legislature have supported the military with ongoing state subsidies for auto insurance, public college tuition, encroachment legislation, housing bonds, tax incremental funding support, and more.

Building on that history, the first major piece of our master plan was to consolidate several local commands into the Information Technology Center for the Space and Naval Warfare Systems Command. This center provides the Information Technology systems that support all Navy personnel systems worldwide. To facilitate this advance, the State of Louisiana paid \$61 million to build four great high technology office buildings on a prime piece of lakefront property on the University of New Orleans campus. The buildings sit inside a gated, secure compound and each building is leased by the state to the Navy for \$1 a year.

The second component of the master plan was the refurbishment of NAS/JRB New Orleans. Since 1999, the base has experienced a tremendous rebirth. One of the first and probably the most successful PPV housing projects in the Department of the Navy was developed at Belle Chasse. It included the construction of 526 new units and the complete refurbishment of 200 existing houses. Additionally, the main runway was extended to accommodate the entire US inventory of aircraft, hangars were refurbished, the passenger terminal was upgraded, a new 3 service Joint Reserve Center was built, force protection upgraded, and a number of ongoing projects are still in development. We are most proud of the state-sponsored charter school, Belle Chasse Academy, which is the only school of its kind in the country – a state chartered public school built on a military installation specifically for military family members. Dr Chu, the Under Secretary of Defense, says it is a model for all of DOD to try to copy. The 90,000 sqft

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school is in its third year, and this year taught 915 children and had a waiting list of 110. In total, \$226 million of construction has occurred at Belle Chasse within the last six years – primarily funded by “plus up” and non-MLCON money.

Federal City is the final component of the master plan. Over three quarters of a million dollars has been spent over the past four years by the State of Louisiana and the City of New Orleans. Governor Blanco and the State Legislature have guaranteed up to \$200 million for completing Federal City.

In total, this history and the progress on this master plan proves Louisiana’s track record in bringing military support projects to completion.

Now, what is Federal City? It is a pre-BRAC project that will come fully to life in the next few moments. The Federal City will be formed by consolidating all the DOD organizations in New Orleans that are not at Belle Chasse or SPAWAR onto the West Bank campus of NSA at new state-funded, state-of-the-art headquarters and command buildings. Local Department of Homeland Security organizations would also move into Federal City, including the 8th Coast Guard District Headquarters and a regional Homeland Security Headquarters. All tenants would enjoy below market lease rates. Under this plan, the East Bank campus of NSA would be closed and rededicated for local reuse along with the Diamond Reserve Center on the Lakefront.

You’ll notice that an extensive amount of work has already been completed on the Federal City project. The blueprints you see on the screen are for our joint operational headquarters. We also have an overhead master plan for the installation. Again, you can see the operational headquarters in the semicircle to the left. These buildings are interconnected to promote joint planning and operational capabilities.

This overhead will illustrate the various components of the installation by highlighting them in sequence. It’s obvious from this first look that Federal City has the latest and greatest in force protection features built into the overall plan and each of its new structures. And since we have Marines at the base, a nice parade ground is essential. Notice the parking garage and how it is a component of the force protection system, shielding the living and working quarters from the main road. This plan also allows for easy coordination between all the tenants but also provides them with their own building. Prior to BRAC each of our proposed tenants gave us specific requirements on what they would need in an installation such as this so these designs are rooted in real world feedback. Again, let’s take a closer look at what’s planned for these tenants. Each of these building is extremely flexible and modular so they can be quickly modified to accommodate many different needs. The conference center will be a valuable part of the new base as the main tenants are all large organizations who routinely host significant national and regional meetings. It is obvious from this up-close and personal look at the center that it is truly state-of-the-art.

As you can see from these slides, we have had a number of discussions with potential tenants – Navy Reserves, Marine Corps Reserves, Army Theater Support Group, Department of Homeland Security, and the Coast Guard. This underscores the collaborative nature of the project and

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reinforces its meaningful progress. While active duty personnel are now obliged to avoid comment on Federal City and support the DOD BRAC recommendation, as a retired Marine under no such restraint I can tell you my former command MarForRes would prefer to be a part of Federal City in New Orleans rather than the other alternatives. We have given you a letter signed by myself and virtually all the retired general officer leadership of the Marine Corps Reserve who emphatically state that the Federal City is the best military value option for Marine Forces Reserve. Why is that? What advantages does Federal City offer? First and arguably most important, Federal City is transformational in that it enables effective "jointness" that goes beyond just intra-DOD action. National security must rise to meet new threats in the Global War on Terrorism. It is imperative that Homeland Defense and Homeland Security work closely together. With MarForRes, Federal City would be the home to the Marine Corps Component Commander for Northern Command, which has the DOD responsibility for Homeland Defense in the United States. For DHS, the Commander of the 8th Coast Guard District is the trained "designated federal officer" who would have the operational federal lead in reacting to a major incident in the lower Gulf region. The opportunity for these two organizations to plan, coordinate, and exercise together would be powerful. They could act as a "lab" to test the protocols and procedures for how DOD could support a designated federal officer and DHS operational leadership in response to a domestic crisis or terrorist incident.

We have briefed former Secretary of Homeland Defense, Tom Ridge, on the Federal City concept and he said it was exactly the kind of initiative and innovative idea that the federal government should be pursuing. We also had the opportunity to explain the Federal City project to Adm. Tim Keating, the Commander of Northern Command. He also was very enthusiastic about the concept and said that such a basing arrangement would make his job of coordinating Homeland Defense and Homeland Security much easier.

You must also remember that this integrated force will be based at a nationally important location at the southern end of the Mississippi River. The Mississippi River is a critical economic artery for the U.S. heartland, transporting virtually all U.S. farm exports headed for international destinations. Approximately 40% of the natural gas consumed in the United States comes through the pipeline system that originates in southern Louisiana. A large concentration of oil refineries and chemical manufacturing plants are located along the banks of the Mississippi River in southern Louisiana. Any activity that blocks commerce along the Mississippi River would be very detrimental to the security and economic health of the country, while an integrated Homeland Defense and Homeland Security base on the southern portion of the River would be a strategic national asset.

Federal City also offers the latest in force protection standards. With these security benefits it will become a magnet for important federal agencies in the Gulf Region.

The headquarters and command buildings are truly remarkable. The specific designs of these new buildings will have maximum input from tenant commands meaning their every need will be met. This is directly counter to my personal experience with MILCON money, which usually ran at 70% fulfillment of what was actually needed. Federal City assures tenants that they will receive first class facilities.

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Federal City also offers a great opportunity to use the Enhanced Lease Use program to maximize savings for the tenants of Federal City. Along with the benefit of state money, this new program will reduce lease costs and significantly speed up the time that it will take to build the Federal City. More details on this program will follow.

And by creating efficiencies through shared security and installation infrastructure maintenance costs, the Federal City will reduce the operating costs for each tenant.

Enhanced Use Leasing (EUL) as mentioned a moment ago is a powerful tool in the DOD's arsenal for reducing construction costs, financing construction without MILCON dollars, and speeding up the time it takes to complete finished construction projects. By granting redevelopment rights to a private contractor developer, the government can then lease back the property through an advantageous agreement with the developer. For NSA New Orleans using enhanced use leasing the Federal City project could be completed much faster than the anticipated BRAC relocation can be accomplished. This construction could also be accomplished at a savings of 30-40% over traditional MILCON costs. The expected Enhanced Use Lease timeline for Federal City development is as follows:

If the BRAC decision is finalized by January 2006, preparation can begin immediately. We would begin discussions with the Department of the Navy immediately with the goal of being able to select a master developer to begin work by January 2007. Construction of the major headquarters complex is scheduled to take 18 months with the first tenants to begin moving in somewhere between July and Oct of 2008. This schedule is almost 2 years faster than the DOD BRAC plan. Most of the experts we have consulted say that likely holdups in MILCON and military construction mean our completion date would likely beat BRAC by much more than two years.

It is important to remember that all the costs of construction are completely absorbed by the State of Louisiana, the City of New Orleans, and private developers. This plan is real and has already been set in motion by the State Legislature, which recently signed a unanimous resolution in support of funding Federal City. You can also see in Governor Blanco's letter that she has committed in writing to support financing for up to \$200 million for the effort. Copies of the Governor's letter and the State Legislature's resolution have been provided to this Commission. To date, Louisiana has already "put its money where its mouth is" in the form of the \$750,000 already spent on the project. And the State has been consistent throughout in guaranteeing that there is no need for federal funding in implementing the Federal City plan. Given the State's proven track record in bringing military support projects to completion, this amounts to an ironclad guarantee.

So just what kinds of savings will this mean for the federal government? First, the elimination of up-front MILCON money because of state funding along with reduced occupancy costs by shared tenants means a savings of \$112 million. There will also be the elimination of expensive East Bank costs, including the river taxi service, redundant recreational and security services, and the payment of high energy costs for the large, inefficient and partially empty headquarters buildings. Shared efficiencies by tenant agencies will also reduce savings – in fact a similar

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collaborative installation in Monterey, CA, which houses the Naval Post Graduate School and Defense Language Institute, realized a savings of 41% for these costs.

Staying at NSA also removes the bulk of all moving costs. And the use of the Enhanced Use Lease program will only increase savings to DOD and allow the new Headquarters buildings to be completed faster. Federal City leased costs per square foot also cost \$5 less a square foot to operate than the owned facilities that currently exist at NSA. This means that Federal City will save DOD 25% or \$5 million over current annual O&M costs of \$19 million.

By tallying these incremental up-front and annualized savings we can get a more complete picture of the financial advantage offered by Federal City over the recommended DOD closure. The figures on the DOD recommended closure of NSA come from the last known COBRA run before the 13 May DOD announcement of its BRAC recommendation. The Federal City numbers are baseline COBRA data numbers that are updated and modified to incorporate known Federal City data. We did this create an "apples to apples" comparison. Even though we do not believe there are any personnel cost savings, we left those in the equation on both the DOD and Federal City Courses of Action to maintain a comparative base. You can see that Federal City is less expensive to execute than the DOD recommended move and closure; that it offers more one-time savings than BRAC, and that it holds greater promise year after year. Our analysts have been over these numbers in detail and I would be happy to answer any questions that I can about these figures.

In short, the Federal City plan promises dramatically greater savings than DOD can achieve by closing of NSA New Orleans. Over the 20 year period that BRAC has set as its benchmark, the Federal City plan will save DOD \$230M more than the actual, readjusted cost of the proposed closure.

It is helpful to consider this question in the context of the overall presentation and specifically by examining each of the eight criteria that DOD must legally use to make its base closure decision.

Criteria one through four have been combined to help determine the military value of the bases being examined. In a very detailed and analytic process, DOD ranked all of the military installations that provide headquarters and administrative support functions. NSA New Orleans was ranked 41 out of those 337 bases; higher than the two bases which are slated to receive the bulk of the units leaving New Orleans – NSA Mid-South and NSA Norfolk – by 27 and 36 slots respectively. Regardless of the rankings, we also showed that there was no strong justification in the DOD BRAC recommendations for moving the major tenants away from NSA New Orleans.

Criterion five establishes cost savings as a major factor in the decision to close each base. As we have shown, the cost savings attributed to the closing of NSA New Orleans were significantly overstated – by \$256 million – and the proposed Federal City option offers \$230M more in savings than the readjusted costs of the DOD recommended plan.

Criterion six requires an examination of the economic impact on a community. The DOD analysis found no significant impact on the New Orleans area economy from the closure of NSA.

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However, the DOD analysis failed to account for the approximately 863 full time contractors and 940 drilling reservists who would be leaving the area or losing their jobs and salaries. They also did not take into account the difficulty New Orleans has had in attracting new business or its flat job growth over the last five years. The looming threats to New Orleans other major federal programs such as NASA and shipbuilding were also not taken into account by DOD.

Criterion seven involves community infrastructure and the slide shows the advantages of the Federal City plan. Criterion eight concerns environmental impacts and while relevant, they were not as applicable to the decision to retain or close NSA New Orleans as the previous criteria.

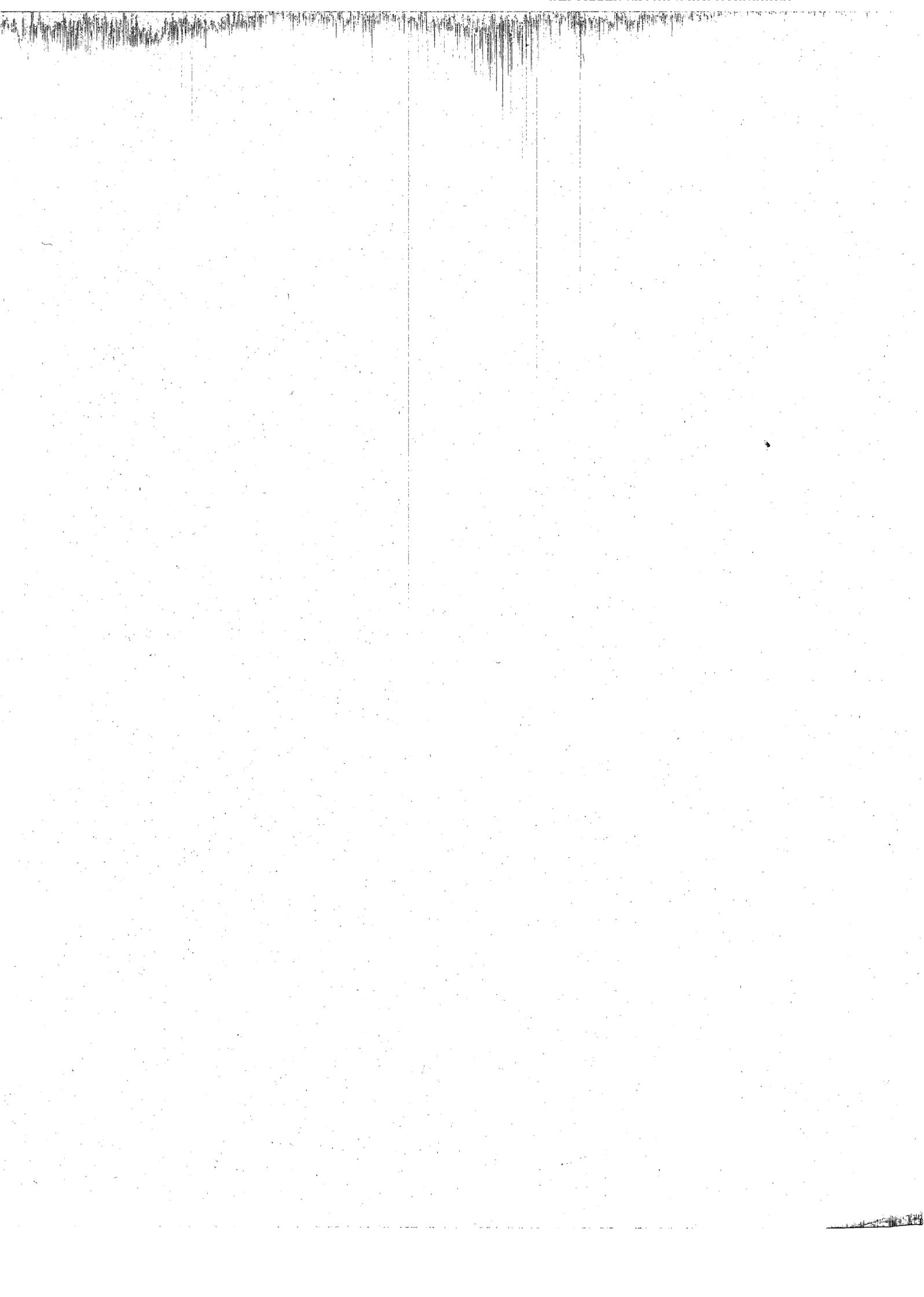
This top-line review of the DOD BRAC decision criteria would supports a conclusion that, under the published BRAC rules, there is no proper justification for closing NSA New Orleans.

In closing, I will leave you with the same themes with which we began this briefing. First, NSA New Orleans is highly rated in military value – the number one criteria for determining base retention. The justification provided for closing it was extremely weak. Second, the DOD BRAC Report severely overstated savings resulting from this proposed closure by \$256 million. And third, there is a pre-BRAC community and military proposal that would provide DOD with a model of transformation and joint interoperability at a savings of more than \$230 million over the actual costs of its own recommendation. Federal City is clearly the better option. Overall, the data does not in any way support closure of NSA New Orleans and common sense begs for the implementation of the Federal City Plan.

Thank you for your time and attention. I would be happy to answer any questions.

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**Greater New Orleans Community
BRAC Commission Briefing
Executive Summary
07.22.05**

The Greater New Orleans Community and the State of Louisiana share an impressive history of collaboration and progress with the federal government and the military. Once again, Louisianans are united in working with the military to preserve what is a crucial component of both our state's and our nation's future security – Naval Support Activity (NSA) New Orleans.

The following briefing outlines our evaluation of the Department of Defense 2005 BRAC Report and its recommendations. As part of this process, our analysis has found a number of inaccuracies and data flaws in the Report in regards to NSA New Orleans, as well as a number of illogical arguments. In total, our conclusion is that the **2005 BRAC Report findings do not support base closure.**

This same briefing also explores Federal City, a pre-BRAC project undertaken by the State of Louisiana and the City of New Orleans. This project was set in motion long before the 2005 BRAC and is a compelling alternative because it accomplishes all the objectives of BRAC but more quickly and more cost-effectively than the Department of Defense recommendations.

The briefing being given to the BRAC Commission Regional Hearing focuses on three primary themes:

EXCEPTIONAL MILITARY VALUE

The Department of Defense has prioritized the criteria by which all bases are to be evaluated. Primary amongst these criteria is military value – the single most important factor in deciding whether to close or retain a base. In the case of NSA New Orleans, a Department of Defense military value ranking of 41 amongst 337 (top 15%) similar installations was not enough to merit retention. Even more puzzling was the fact that the two bases designated to receive personnel from NSA New Orleans ranked 68th and 77th, more than 25 places behind it.

The justification provided for this inexplicable closure is also troubling. The rationale for removing Navy and Marine personnel, and therefore for shuttering the base itself, is weak and – in some cases – non-existent. This is the first of many inconsistencies and instances of flawed reasoning throughout the 2005 BRAC Report.

FLAWED DATA ANALYSIS

The Department of Defense 2005 BRAC Report used a dramatic expected savings of roughly \$276 million over twenty years as justification for closing NSA New Orleans. Our analysis of that same report has shown that number to be **grossly over-inflated** either through incorrect assumptions, fuzzy math, or glaring omissions of data. WE believe that an objective review of the data results in a 20 year **real total savings of less than \$20 million – more than \$250 million less than the DOD claimed.**

Examples of these flaws include a recap budget savings that is not based on actual prior-year NSA New Orleans recap numbers. If it had been, the final savings would have been reduced by more than \$15 million. Or consider the \$21 million in annual savings claimed by BRAC for end strength reductions. Those Navy and Marine Corps personnel claimed by BRAC cannot be included because they were already counted as part of the Navy's own transformational process and the Marine Corps will not decrease its end strength even if there are consolidation savings – they will just reassign the people to other priority billets. The expected BRAC savings are double-counted and therefore non-existent.

The 2005 BRAC Report also understates the number of civilians and contractors employed by NSA New Orleans – minimizing local economic impact, reducing expected costs for the move, and ignoring the higher costs to hire contract workers in the higher cost of living area of the receiving bases. Further complicating the issue of economic impact, the Report does not evaluate economic data after 2002. This means that a total potential job loss in the region due to decreased federal spending of more than 8,500 jobs is not even considered.

The Report also ignores the \$9-11 million liability that existing PPV housing at NSA New Orleans represents for the Department of the Navy. A \$125 million legal settlement that the Navy had to pay for liability in a housing project in Staten Island when the base closed shows the precedent for this kind of liability.

In total, the 2005 BRAC actual savings are more than \$250 million less than their original expected savings because of these errors and omissions, and do not justify the huge moving and closure costs of shuttering the base. That alone is reason to remove the base from the BRAC closure list. The fact that six of the eight BRAC criteria were incorrectly applied to or evaluated at NSA New Orleans amounts to an overwhelming rationale for changing the decision to close the base.

Taking all of these considerations into account, it is obvious that the **2005 BRAC Report does not support closure of NSA.**

FEDERAL CITY IS A BETTER ALTERNATIVE

Thankfully, the Greater New Orleans Community has been hard at work for many years on a master plan to improve the joint readiness capabilities of local DOD installations. As part of

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this plan, Federal City is a transformative model of joint interoperability that would **save \$230 million more than the actual BRAC savings and do so at least 18 months quicker.**

This master plan has already produced a number of legislative benefits for military personnel, including a State-funded charter school on the Naval Air Station/ Joint Reserve Base New Orleans, infrastructure improvements at Belle Chasse, and the state funded construction of the Space and Naval Warfare Systems Command Headquarters at the University of New Orleans.

The Federal City project began several years ago and has already incurred \$750,000 in state and local spending. Upon completion it will take the form of a State-funded "state-of-the-art" facility at NSA that will be home to a number of Department of Defense and Department of Homeland Security (DHS) organizations. Potential tenants include the Marines, Navy, Army, Coast Guard, and a regional DHS Headquarters. This innovative model of transformation will allow each of these agencies to plan and train jointly at one of the critical points in our Nation's economy and defense – the lower Mississippi River Corridor.

Both the Governor and the Legislature of the State of Louisiana have guaranteed funding for the project; meaning this "move-in-ready" facility will be **built at no cost to the federal government.** The joint nature of Federal City also means that participating agencies can share common and often fixed operating costs, including administrative functions, energy bills, and force protection, leading to cheaper facility costs for all.

BOTTOM LINE

In short, Federal City offers a much more compelling alternative than the proposed 2005 BRAC NSA closure. The flaws in the 2005 BRAC Report clearly demonstrate that NSA should remain open, allowing the Greater New Orleans Community the opportunity to continue the Federal City project.

To do this, we are not asking the BRAC Commission to remove NSA New Orleans from the BRAC list altogether, but rather to consider it a *realignment* versus a *closure*. The old East Bank portion of the base would be closed and all units would be consolidated onto the West Bank into brand new Headquarters buildings. This will allow us to retain existing tenants and to begin preparation and construction of the Federal City project on the West Bank of NSA.

When compared to the DOD BRAC recommendations the Federal City Plan is more transformational, more joint, more efficient, closes unneeded facilities, is completed more rapidly and saves \$230M more.

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Major General David Mize USMC (Ret.) ★ Office: (504) 304-2460 ★ Mobile: (504) 701-8844