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BRAC Commission

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LOUISE M. SLAUGHTER
CONGRESS OF THE UNITED STATES
28TH DISTRICT, NEW YORK

FROM THE WASHINGTON OFFICE OF
CONGRESSWOMAN LOUISE M. SLAUGHTER

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FROM: Rep. Louise Slaughter

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LOUISE M. SLAUGHTER
CONGRESS OF THE UNITED STATES
28TH DISTRICT, NEW YORK

August 15, 2005

BRAC Commission

The Honorable Anthony Principi
Chairman
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Ste. 600
Arlington, VA 22202

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Dear Chairman Principi,

Thank you for continuing to review the Niagara Falls Air Reserve Station (NFARS) recommendation. I appreciate this opportunity to provide you additional information on the significant errors in the Pentagon's Cost of Base Realignment Analysis (COBRA) report for NFARS.

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Each of these items is discussed in the attached memorandum. The Commission's BRAC analysts, Karl Gingrich and J. Tyler Oborn, have been given supportive documentation demonstrating that once the Pentagon's errors are corrected, the annual recurring costs of closing NFARS exceed the annual recurring savings.

Thank you for your consideration of these materials, which strengthens the case for removing NFARS from the Pentagon's list of closures. Please contact me at (202) 225-3615 should you have any additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Louise".

Louise Slaughter
Member of Congress

LMS:abs

Enclosure

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LOUISE M. SLAUGHTER
CONGRESS OF THE UNITED STATES
28TH DISTRICT, NEW YORK

August 15, 2005

The Honorable Philip Coyle
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Suite 600
Arlington, VA 22202

Dear Commissioner Coyle,

Thank you for continuing to review the Niagara Falls Air Reserve Station (NFARS) recommendation. I appreciate this opportunity to provide you additional information on the significant errors in the Pentagon's Cost of Base Realignment Analysis (COBRA) report for NFARS.

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August 15, 2005

BRAC Commission

Admiral Harold W. Gehman, Jr, (USN, Ret)
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Suite 600
Arlington, VA 22202

AUG 19 2005

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Dear Admiral Gehman,

Thank you for continuing to review the Niagara Falls Air Reserve Station (NFARS) recommendation. I appreciate this opportunity to provide you additional information on the significant errors in the Pentagon's Cost of Base Realignment Analysis (COBRA) report for NFARS.

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LOUISE M. SLAUGHTER
CONGRESS OF THE UNITED STATES
28TH DISTRICT, NEW YORK

August 15, 2005

BRAC Commission

General James T. Hill, (USA, Ret)
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Suite 600
Arlington, VA 22202

AUG 19 2005

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LOUISE M. SLAUGHTER
CONGRESS OF THE UNITED STATES
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August 15, 2005

BRAC Commission

The Honorable Samuel K. Skinner
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Suite 600
Arlington, VA 22202

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Member of Congress

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BRAC Commission

The Honorable James H. Bilbray
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Suite 600
Arlington, VA 22202

AUG 19 2005

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Dear Jim,

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August 15, 2005

BRAC Commission

General Lloyd W. Newton, (USAF, Ret)
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Suite 600
Arlington, VA 22202

AUG 19 2005

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Member of Congress

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LOUISE M. SLAUGHTER
CONGRESS OF THE UNITED STATES
28TH DISTRICT, NEW YORK

August 15, 2005

BRAC Commission

Brigadier General Sue E. Turner, (USAF, Ret)
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Suite 600
Arlington, VA 22202

AUG 19 2005

Received

Dear General Turner,

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Louise Slaughter
Member of Congress

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Enclosure

Data Input Errors Resulting in COBRA Over-statement of Savings/Costs

Review of the COBRA Report for Niagara Falls Air Reserve Station (NFARS) reveals data input errors in the COBRA Report that have significant impact on the final Payback Year and Net Present Value in 2025. Some of these errors result from questionable Air Force guidance for conducting COBRA analysis. Officer and Enlisted Reserve and Guard positions have been eliminated and counted as savings despite testimony that the end strength of the Reserves and Guards will not be reduced. No data was inputted to take into account the effect of the proposed closure of NFARS would have on its DOD tenants as required by the BRAC Law. Additionally, the input failed to account for current and out-year negotiated savings in BOS costs. Each is discussed separately below, and the corrected COBRA input provided along with revised a COBRA report and the supporting documentation.

Reserve and Guard Drill Positions Eliminated

Drill positions - In addition to the 10 full-time Officer, 79 Enlisted and 540 Civilian positions, there are 1945 Drill positions within the Reserve and Guard Wings at NFARS. These are the "Weekend Warriors". COBRA algorithms do not exist to cost the realignment or elimination of Drill positions. As such, the Drill positions do not show on "Input Screen Four - Static Base Information" from the standard files, nor is there the ability to input on "Input Screen Three - Movement Table" or "Input Screen Six - Base Personnel Information" changes to Drill positions resulting from the proposed realignments and closure. A Misc. Recurring Savings of \$16,646K was entered on Screen Five by the Air Force. The Footnotes for Screen Five identifies this as ANG drill savings (1189 PE @ \$14K ea.). It actually represents the elimination of both Reserve Drill and Guard Drill positions.

GAO in its latest report continues to support its 1995 position and says savings should become end-strength reductions, yet testimony has been made that no end-strength reductions to the Reserves or Guards will be taken. The Air Force Base Closure Executive Group (BCEG) was aware of the 1995 BRAC position of the GAO regarding "Savings should become End Strength Reductions". According to the Memorandum for Record of the 8 March 2005 BCEG meeting, Mr. Pease "raised the issue of whether manpower nominally assigned to Base X should be counted as savings for reinvestment". At the 10 March 2005 BCEG meeting, Mr. Jordan briefed "Manpower Savings and Reinvestment for information". One of the slides presented, highlighted in red, stated "Risk: GAO says "savings" should become end-strength reductions".

If the intent of the Air Force is not to reduce Reserve and Guard end-strength as testified, but rather to use the freed positions for reinvestment in Future Total Force new missions, then these positions should have been realignments and not eliminations. Even if it was not known where they would be realigned to at the time, they still should not have been eliminations. Failure to do such, seriously compromises the integrity of COBRA, as declaring realignments to an unknown destination as eliminations for now, with the intent of realigning the positions later, significantly improves the Payback Period and Net

Present Value in 2025. Counting the positions as eliminations, simply does not reflect the costs/savings of the recommended action.

Further, Section 2903 of the BRAC Law states that the Secretary may submit a list of the military installations for closure or realignment on the basis of the force-structure plan and final criteria. Elimination of the positions in lieu of realignment is not consistent with the force-structure plan, which shows no decrease in Reserve or Guard end strength and as such is a deviation from the requirements of the law.

Full-time Reserve & Guard positions Eliminated

Entries made to *Input Screen Six - Base Personnel Information* resulted in 1 Officer, 42 Enlisted, and 311 Civilian positions being eliminated at Niagara Falls ARS in FY2009. The elimination of the military positions is contrary to the same guidance cited above. In reality, what the Air Force is doing is relocating the C-130 Aircraft currently being supported by full time Reserve and Civilian positions at Niagara Falls to Little Rock where they intend to support them with Active Duty Military personnel. The COBRA model was not designed to account for the conversion of positions from Reservist to Active Duty. To accommodate this within COBRA, the Air Force utilized *Screen Six* to show the respective Scenario Position Changes for Niagara Falls and Little Rock in FY2009. This approach, although it shows eliminated Reserve positions, is actually a reasonably sound approach, as it accounts for the additional cost to operate with Active Duty Military personnel vice Full-time Reservist and Civilian positions. Although we disagree in principle on showing the positions as elimination, we have not changed this in COBRA because we agree in principle with the Air Force's approach to accurately identify in COBRA the cost of conversion from Reservist/Civilian to Active Duty manning.

BOS Costs and Savings

The BOS (Base Operations Support) Non-Payroll Budget shown on *Screen Four - Base Information (Static)* is the average of actual non-payroll BOS for FYs 01-03, corrected for the War on Terror. It does not reflect Non-Payroll BOS cost reductions that have been negotiated. An Electrical Power Cost Discount amounting to at least \$450,000 a year beginning mid-FY2004 and following years should be included. Additionally an annual lease fee of \$149,000 was negotiated to be reduced to \$1 beginning FY2006 and should also be included to more accurately reflect the true BOS Non-Payroll Cost at the time of implementation.

DOD Tenants

Two DOD tenants are located at Niagara Falls ARS. Neither was costed in the COBRA analysis as required by BRAC Law and Air Force guidance. A Military Entrance Processing Station (MEPS) is currently under Military Construction (\$6.2 Million) at Niagara Falls ARS with estimated construction completion in November 2006. The Army is relocating the MEPS from leased space in a General Services Administration (GSA) facility located in downtown Buffalo, New York. The lease cost for this location has escalated annually and the 1974 construction 15-story building has many deficiencies, which cause operational problems for MEPS. One of the most significant

problems is the deteriorating asbestos fireproofing which has become friable and has been detected in the air. Additionally, there is a North East Air Defense Sector Ground Air Transmit Receive Site (NEADS GATR) located at Niagara ARS that is manned by 2 Enlisted personnel. Enclaving these two tenants or relocating them to another Base/site was not costed.

Training Costs

The Air Force COBRA analysis did not consider the training costs that will be incurred at the time the 1189 Drill positions that were erroneously eliminated are realigned to another base. The Air Force identified training costs for drill position authorizations being transferred to the bases involved in this scenario and entered them as One-Time Unique Costs on Screen Five. Using the Air Force costing model, 2/3 of the positions filled will have no previous military experience or will require training at an average cost of \$24,839 each. This results in a one-time cost of \$19,638,884 that was not considered in the Air Force COBRA. To account for this additional cost we have created a Base X on Screen One and then, consistent with the Air Force approach, have added the cost as a One Time Unique Cost on Screen Five for Base X.

Additionally, there are likely to be conversion training costs at Little Rock for the additional Activity Duty positions required to support the C-130 Model H3 aircraft being transferred from Niagara to Little Rock. The C-130's at Little Rock are Model E. The two likely places to provide the source for Active Duty personnel are Pope AFB and Dyess AFB. Both of these bases have C130 Model H aircraft. The Model H3 differs from the Model H in engine, avionics, and propellers and also contains Flight Crew In-House & Defensive Systems not on the Model H. As such, some conversion training is likely to be required; however, we were not able to quantify it and as such we have not included it in our COBRA adjustments.

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LOUISE M. SLAUGHTER
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August 15, 2005

The Honorable Anthony Principi
Chairman
2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Ste. 600
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Reserve and Guard Drill Positions Eliminated

Drill positions - In addition to the 10 full-time Officer, 79 Enlisted and 540 Civilian positions, there are 1945 Drill positions within the Reserve and Guard Wings at NFARS. These are the "Weekend Warriors". COBRA algorithms do not exist to cost the realignment or elimination of Drill positions. As such, the Drill positions do not show on "Input Screen Four - Static Base Information" from the standard files, nor is there the ability to input on "Input Screen Three - Movement Table" or "Input Screen Six - Base Personnel Information" changes to Drill positions resulting from the proposed realignments and closure. A Misc. Recurring Savings of \$16,646K was entered on Screen Five by the Air Force. The Footnotes for Screen Five identifies this as ANG drill savings (1189 PE @ \$14K ea.). It actually represents the elimination of both Reserve Drill and Guard Drill positions.

GAO in its latest report continues to support its 1995 position and says savings should become end-strength reductions, yet testimony has been made that no end-strength reductions to the Reserves or Guards will be taken. The Air Force Base Closure Executive Group (BCEG) was aware of the 1995 BRAC position of the GAO regarding "Savings should become End Strength Reductions". According to the Memorandum for Record of the 8 March 2005 BCEG meeting, Mr. Pease "raised the issue of whether manpower nominally assigned to Base X should be counted as savings for reinvestment". At the 10 March 2005 BCEG meeting, Mr. Jordan briefed "Manpower Savings and Reinvestment for information". One of the slides presented, highlighted in red, stated "Risk: GAO says "savings" should become end-strength reductions".

If the intent of the Air Force is not to reduce Reserve and Guard end-strength as testified, but rather to use the freed positions for reinvestment in Future Total Force new missions, then these positions should have been realignments and not eliminations. Even if it was not known where they would be realigned to at the time, they still should not have been eliminations. Failure to do such, seriously compromises the integrity of COBRA, as declaring realignments to an unknown destination as eliminations for now, with the intent of realigning the positions later, significantly improves the Payback Period and Net

Present Value in 2025. Counting the positions as eliminations, simply does not reflect the costs/savings of the recommended action.

Further, Section 2903 of the BRAC Law states that the Secretary may submit a list of the military installations for closure or realignment on the basis of the force-structure plan and final criteria. Elimination of the positions in lieu of realignment is not consistent with the force-structure plan, which shows no decrease in Reserve or Guard end strength and as such is a deviation from the requirements of the law.

Full-time Reserve & Guard positions Eliminated

Entries made to *Input Screen Six - Base Personnel Information* resulted in 1 Officer, 42 Enlisted, and 311 Civilian positions being eliminated at Niagara Falls ARS in FY2009. The elimination of the military positions is contrary to the same guidance cited above. In reality, what the Air Force is doing is relocating the C-130 Aircraft currently being supported by full time Reserve and Civilian positions at Niagara Falls to Little Rock where they intend to support them with Active Duty Military personnel. The COBRA model was not designed to account for the conversion of positions from Reservist to Active Duty. To accommodate this within COBRA, the Air Force utilized *Screen Six* to show the respective Scenario Position Changes for Niagara Falls and Little Rock in FY2009. This approach, although it shows eliminated Reserve positions, is actually a reasonably sound approach, as it accounts for the additional cost to operate with Active Duty Military personnel vice Full-time Reservist and Civilian positions. Although we disagree in principle on showing the positions as elimination, we have not changed this in COBRA because we agree in principle with the Air Force's approach to accurately identify in COBRA the cost of conversion from Reservist/Civilian to Active Duty manning.

BOS Costs and Savings

The BOS (Base Operations Support) Non-Payroll Budget shown on *Screen Four - Base Information (Static)* is the average of actual non-payroll BOS for FYs 01-03, corrected for the War on Terror. It does not reflect Non-Payroll BOS cost reductions that have been negotiated. An Electrical Power Cost Discount amounting to at least \$450,000 a year beginning mid-FY2004 and following years should be included. Additionally an annual lease fee of \$149,000 was negotiated to be reduced to \$1 beginning FY2006 and should also be included to more accurately reflect the true BOS Non-Payroll Cost at the time of implementation.

DOD Tenants

Two DOD tenants are located at Niagara Falls ARS. Neither was costed in the COBRA analysis as required by BRAC Law and Air Force guidance. A Military Entrance Processing Station (MEPS) is currently under Military Construction (\$6.2 Million) at Niagara Falls ARS with estimated construction completion in November 2006. The Army is relocating the MEPS from leased space in a General Services Administration (GSA) facility located in downtown Buffalo, New York. The lease cost for this location has escalated annually and the 1974 construction 15-story building has many deficiencies, which cause operational problems for MEPS. One of the most significant

problems is the deteriorating asbestos fireproofing which has become friable and has been detected in the air. Additionally, there is a North East Air Defense Sector Ground Air Transmit Receive Site (NEADS GATR) located at Niagara ARS that is manned by 2 Enlisted personnel. Enclaving these two tenants or relocating them to another Base/site was not costed.

Training Costs

The Air Force COBRA analysis did not consider the training costs that will be incurred at the time the 1189 Drill positions that were erroneously eliminated are realigned to another base. The Air Force identified training costs for drill position authorizations being transferred to the bases involved in this scenario and entered them as One-Time Unique Costs on Screen Five. Using the Air Force costing model, 2/3 of the positions filled will have no previous military experience or will require training at an average cost of \$24,839 each. This results in a one-time cost of \$19,638,884 that was not considered in the Air Force COBRA. To account for this additional cost we have created a Base X on Screen One and then, consistent with the Air Force approach, have added the cost as a One Time Unique Cost on Screen Five for Base X.

Additionally, there are likely to be conversion training costs at Little Rock for the additional Activity Duty positions required to support the C-130 Model H3 aircraft being transferred from Niagara to Little Rock. The C-130's at Little Rock are Model E. The two likely places to provide the source for Active Duty personnel are Pope AFB and Dyess AFB. Both of these bases have C130 Model H aircraft. The Model H3 differs from the Model H in engine, avionics, and propellers and also contains Flight Crew In-House & Defensive Systems not on the Model H. As such, some conversion training is likely to be required; however, we were not able to quantify it and as such we have not included it in our COBRA adjustments.